

UNITED STATES OF AMERICA

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FEDERAL COMMUNICATIONS COMMISSION

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FIELD HEARING

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BROADCAST LOCALISM HEARING

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CHARLOTTE, NORTH CAROLINA

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CHAIRMAN POWELL PRESIDING

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WEDNESDAY, OCTOBER 22, 2003

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1 only the work he's doing for our country and for our world,
2 but we also want to let him know we haven't forgotten about
3 America's Promise. He's been very active in our local
4 America's Promise efforts, and we really do appreciate that
5 very much.

6 On behalf of the City of Charlotte we'd like to
7 welcome you to the 19th largest city in the United States of
8 America, the second largest financial center, and the home
9 of the almost undefeated Carolina Panthers, and home in the
10 near future to the Charlotte Bobcats, and also I must also
11 say the Charlotte 49er basketball team.

12 But it's a city we're very, very proud of. We
13 have a population of 610,000 people in an area of about 280
14 square miles. And your job is very important for Charlotte
15 and our future because communications and the media and the
16 interaction with the public is a very, very important
17 priority for us all, as it is in most cities.

18 As the hearings unfold today you are going to hear
19 from many voices because Charlotte is not afraid to speak
20 out, but we will do it in a very, very professional and
21 respectable way.

22 I would like to make you aware I also represent
23 mayors from throughout the country as a member of the Board
24 of Directors of the U.S. Conference of Mayors. And I just
25 want to briefly take advantage of this welcome, if you don't

1 mind, Mr. Chairman, to mention two issues that are important
2 to this mayor and also mayors throughout the nation, and
3 that is especially with the issue of homeland security.

4 At this point in time we need to solve the
5 interference issue so channels for our emergency responders
6 are no longer intermingled among and adjacent to commercial
7 channels. This is extremely important to our first
8 responders in this region and throughout the regions
9 throughout the United States.

10 Your support of the consensus plan which is
11 supported by all of the top organizations of the first
12 responders' profession will help enhance public safety by
13 realigning the 800 megahertz system into two distinct
14 blocks, with one for public safety and the other one for
15 wireless carriers.

16 This will virtually eliminate any chance of
17 interference, and once again provide reliability in the
18 first responder communication system without costing local
19 governments millions of dollars.

20 As a member of -- as a new member of Secretary
21 Ridge's Homeland Security Commission, communications is one
22 of the most vital parts of homeland security, and your role
23 in that effort is very, very important to us all. So I ask
24 for your support of the consensus plan and the subsequent
25 funding to address this homeland security issue.

1 In addition to the public radio spectrum issue,
2 your rule-making decisions in the area of cable modems and
3 internet service will have a direct impact on the financial
4 well being of cities throughout the United States.

5 Local governments are presently unable to collect
6 franchise fees because of a recent ruling in 2002
7 classifying cable modem services as information rather than
8 cable or telecommunications services. This is talking about
9 our right-of-ways which has been our property which we get a
10 fair return of dollars for. And that basically renews that
11 while at the same time we're getting many unfunded mandates
12 from the Federal Government. We're having our revenue
13 stream taken away from cities throughout the United States.

14 This has caught us quite off-guard, and in
15 Charlotte alone reduces revenues from the \$5 million we
16 currently collect from cable franchises.

17 I'm worried about the slippery slope of unfunded
18 mandates that will continue to happen, in addition to the
19 slippery slope of what's next regarding taking funding away
20 from getting money from our right-of-ways. I did want to
21 make you aware of that, although I know you're here to talk
22 about primarily some other issues of important legislation,
23 and I do want to recognize that.

24 I do want to say something about our media outlets
25 here in Charlotte. Overall I want to compliment them

1 because they've been extremely responsive in most cases to
2 our public needs, especially during emergencies.

3 Even on 9-11 we had incredible evacuation from our
4 high rise towers because we are the second financial center
5 in the United States, and most people don't realize that.
6 But on 9-11 we had people evacuating our high rise buildings
7 and our media and other people involved helped communicate
8 exactly what we needed them to do during 9-11.

9 And also we needed their help during hurricanes
10 and ice storms and other types of activities, and they've
11 all been extremely cooperative when we, the City, have asked
12 for their assistance, whether it be the TV stations or the
13 radio programs, and we've been very complimentary of them.
14 And they've also continued to provide us good public
15 service.

16 I will say this in Charlotte. There's a very
17 strong community norm of responsibility that is not only put
18 on public servants like myself, but also on the media. And
19 if you cross that norm and you don't get involved in this
20 community, the market and the community will respond and
21 they will respond in many different ways, both with their
22 pocket books, with people speaking out against them if they
23 don't take full responsibility and care for our city.

24 Because we have a firm belief in Charlotte that
25 when you come here, you can make a living, but you also must

1 care for the current and future of Charlotte, and you must
2 make it a better place in which to live, work, and raise a
3 family, and that includes the media organizations.

4 We do listen to the marketplace. I say this
5 rather lightly, but an example of that is The Howard Stern
6 Show did not make it here in Charlotte. And that to me says
7 something because we do have community values and community
8 norms that are very, very important to us. And we expect
9 the people in the media markets respond to those norms, care
10 for our community, and help educate the community in many
11 areas, including government service.

12 So on behalf of everyone in the City of Charlotte,
13 welcome, enjoy your stay here. I hope you get to visit our
14 city more. Chairman Powell, I know you got to walk in our
15 city a little bit this morning, but next time stay longer
16 and we'll give you a great tour and we'll take you to a
17 Carolina Panther football game too.

18 Thank you and may God bless each one of you.
19 Thank you very much.

20 (Applause.)

21 CHAIRMAN POWELL: Thank you, Mr. Mayor. And as a
22 Redskin fan, we're happy to be in greener pastures here in
23 Charlotte.

24 (Laughter.)

25 MAYOR McCRORY: You're coming soon.

1 CHAIRMAN POWELL: Yes, sadly. I also want to just
2 thank you and all the wonderful people of Charlotte who have
3 just extended the classic southern hospitality to the
4 Commission. It's been one of the best organized events
5 we've ever had, and I really want to extend my compliments
6 to you and to the citizens of the city.

7 With that let me begin with some opening remarks.
8 Back in August I announced an initiative on localism in
9 broadcasting. A critical part of that effort is for the FCC
10 to get out of Washington and start talking to Americans
11 about the system of broadcasting and how it serves local
12 communities.

13 We are here in Charlotte tonight to kick off a
14 series of public hearings on localism in broadcasting, and
15 to use those hearings as a part of the record we will use to
16 make decisions on whether or not to renew the licenses of
17 your local broadcasters.

18 So what is localism and why does the FCC care
19 about it? Generally speaking, localism is the
20 responsiveness of a broadcast station to the needs and
21 interests of its community. Promoting localism is one of
22 the principle reasons the FCC regulates broadcast television
23 and radio.

24 Before a radio or television station can go on the
25 air, it must receive a broadcast license from the FCC. If

1 the FCC determines the applicant is qualified to hold a
2 license, one is issued.

3 In return, however, the licensee promises to serve
4 the public interest through its property. A key part of the
5 public interest is that the broadcaster air programming that
6 is responsive to the community of license. This public
7 interest obligation applies uniquely to broadcasters and is
8 what singularly distinguishes them from cable or satellite
9 channels.

10 The FCC has promoted localism in two major ways.
11 One is by limiting the number of stations an entity can own.

12 But regardless of who owns the station, that owner is
13 legally obligated to serve the local community. This
14 inquiry here seeks to examine if that is happening, and if
15 not, to consider the actions the Commission might take,
16 including potentially not renewing an owner's broadcast
17 license for failing to serve the public interest.

18 In the past the Commission tried to promote
19 localism by requiring broadcasters to air certain kinds of
20 programming that it believed was in the public interest.
21 Over time, however, the media environment became more
22 competitive and past FCC's have relied more on free markets
23 to ensure that citizens received the programming they
24 wanted.

25 But a station's duty to serve its local community

1 has never changed. Today's hearing begins an on-the-ground
2 inspection of how our broadcast system is working for local
3 communities. Specifically we have three main objectives of
4 these hearings.

5 First, we want to hear directly from members of
6 the public on how they think their local broadcasters are
7 doing; what you do like, what do you dislike; what do you
8 think should be done differently?

9 Secondly we want to hear from broadcasters about
10 their localism efforts. I know many broadcasters are
11 justifiably proud of their work to serve their local
12 communities and we need to hear from them.

13 And third, we want to educate the members of the
14 public on how they can participate at the FCC when a local
15 station's license is up for renewal.

16 I see these hearings as an opportunity to bring
17 these license renewals to life. It is one thing for us as
18 commissioners to sit at our desks in Washington and read a
19 dry rule application; quite another to talk directly with
20 the people who listen to those stations every day.

21 We chose Charlotte as our first hearing site in
22 part because the radio and TV licenses for North Carolina
23 and South Carolina are up for renewal shortly, and we wanted
24 to begin spreading the word that renewals are not just an
25 inside the Washington Beltway phenomenon. They're open to

1 anyone who has something to say about their local stations.

2 Along these lines I have asked the FCC staff to
3 prepare a short primer on how to participate in the license
4 renewal process. Those will be available to you on the
5 tables in the back of the room. This primer is also located
6 on our website at www.fcc.gov/localism.

7 Finally I want to thank the panelists for
8 preparing testimony and joining us tonight. The
9 participation of local broadcasters is critical if these
10 hearings are to be meaningful, and I extend my sincere
11 thanks for your presence here tonight. And I want to wish
12 to thank the local groups and individuals who have agreed to
13 speak tonight as well.

14 And finally I want to extend a welcome to the
15 citizens of Charlotte who are here in attendance, as well as
16 those watching on TV or listening via the FCC's audio
17 webcast. We very much look forward to tonight's discussion.

18 With those opening remarks, let me give my
19 colleagues an opportunity to speak, and I first introduce
20 you to Commissioner Mike Copps. Commissioner?

21 COMMISSIONER COPPS: Thank you, Mr. Chairman.
22 Good evening and welcome to all. It's always a happy
23 occasion for me to return to the Carolinas, having lived for
24 a number of years just down the road in Spartanburg and
25 having many pleasant memories of being a student at Chapel

1 Hill. I am most grateful for the hospitality that we have
2 received while we are here today, grateful for everybody
3 taking the time to turn out this evening.

4 I'm particularly pleased to see Congressman Mel
5 Watt from Charlotte, the 12th Congressional District, and my
6 friend David Price from the 4th District here tonight. Both
7 of these gentlemen have shown strong and visionary
8 leadership in a host of media issues.

9 Tonight we continue a truly remarkable grassroots
10 dialogue about the future of our media. Over the course of
11 the past year we have witnessed a growing national concern
12 over what many people believe are disturbing trends in the
13 media. Citizens from all over the country, conservative and
14 liberal, republican and democrat, young and old, rural and
15 urban, north and south have come together to express their
16 concern and even alarm.

17 For many months the discussion focused on
18 ownership rules implemented by the Federal Communications
19 Commission with people asking how many or perhaps, more
20 accurately, how a few broadcast stations, media
21 conglomerates should be allowed to own, or for what purposes
22 are stations granted licenses, and how does the public
23 interest fare in the more heavily consolidated environment.

24 This ownership dialogue continues in Congress and in the
25 courts around the nation.

1 Tonight we address core media values, particularly
2 localism, from a little different perspective. But we must
3 realize, of course, that it is all part of a larger
4 discussion about protecting the people's interest and the
5 people's airwaves. No part of this grassroots dialogue can
6 be divorced from any other part.

7 As we begin this first of several Commission
8 hearings, we should return to basic principles reminding
9 ourselves that all of us own the airwaves, and the
10 corporations that are given the privilege of using this
11 precious public asset, and to profit from that use in
12 exchange for their commitment to serve the public interest.

13 Broadcasters have been given very special
14 privileges and they have very special responsibilities to
15 serve their local communities.

16 Since the 1980's, in my opinion, fundamental
17 protections of the public interest have been weakened and
18 have withered. Requirements like meeting with members of
19 the community to determine the needs and wishes of their
20 local audience, teeing up controversial issues for viewers
21 and listeners, encouraging antagonistic points of view, and
22 providing viewpoint and program diversity, to name just a
23 few of the obligations that once we had.

24 In addition we have pared back the license renewal
25 process from one wherein every three years examined very

1 rigorously whether the broadcaster was actually serving the
2 public interest, to one wherein now companies need only send
3 us a short form every eight years and generally nothing
4 more. These days getting a license renewed is pretty much a
5 slam dunk. It's not called postcard renewal for nothing.

6 So step by step, rule by rule, public interest
7 protections strike me as being weaker, much weaker than they
8 used to be. I believe this has happened at a high and
9 dangerous cost to the American people. Some call my concern
10 excessive, but I believe in my bones that the survival of
11 fundamental value hinges on the outcome of this national
12 dialogue.

13 We come to Charlotte to talk directly with members
14 of this community and region and to tap its local expertise
15 as to what is happening here. How can we possibly know if
16 licensees are serving their communities without hearing from
17 the community? Are stations adding to the civic dialogue?
18 Are they adhering to community standards, or are they airing
19 excessive amounts of indecent and excessively violent
20 programming?

21 Are they encouraging local talents and local
22 genius? Are they reaching out to minority groups within the
23 community?

24 I know we will leave here tonight knowing facts
25 and having perspectives that just wouldn't have floated into

1 us had we remained in Washington. We start with our panels
2 tonight and I would like to thank each panelist for taking
3 the time and trouble to be with us this evening.

4 What I'm especially looking forward to is hearing
5 from members of the public that have given up their evening
6 to be here to discuss the importance of local broadcasting
7 in their communities. I have seen this around the country,
8 the interest and the high value that the American people
9 place on localism in broadcasting.

10 And I think it shows how important this issue is
11 here when so many of you turn out in this room this evening
12 and I understand in the overflow rooms also. North Carolina
13 is making its voice heard, and I am enormously pleased to be
14 here to listen and to learn.

15 So I thank each of you, and I thank you, Mr.
16 Chairman, for bringing us together tonight.

17 CHAIRMAN POWELL: Thank you, Commissioner, for
18 your remarks. Commissioner Adelstein.

19 COMMISSIONER ADELSTEIN: Thank you, Mr. Chairman.
20 It's great to be here in Charlotte to begin this dialogue
21 on how well broadcasters are serving their local
22 communities.

23 I'd like to commend Chairman Powell and my fellow
24 Commissioners for bringing us together and getting these
25 historic hearings underway.

1 I think the key is, as the Chairman said, for us
2 to get outside of Washington and to hear directly from
3 people in communities like Charlotte. And we're doing a
4 series of these across the country in a very select group of
5 cities, and I just think that it's so important that we do
6 so. I also recommend that we continue to keep our eye on
7 what's happening in local communities as we go through each
8 of these license renewals.

9 I'd like to recognize Congressman Watt and
10 Congressman Price for their leadership on these issues, and
11 thank them for being here.

12 I think that it's also critical that these
13 hearings are taking place just in time for us to tell the
14 public how they can participate in this upcoming round of
15 license renewals. This is really, I think, historic that we
16 are looking at this issue at all, because these have been,
17 as Commissioner Copps outlined, a postcard process.

18 Now we're getting out here, we're taking it
19 seriously, we want to hear from people, we want to see
20 what's happening.

21 I think that the broadcasters, they're in many
22 cases doing a great job, but we need to keep people's feet
23 to the fire to ensure that they're continuing to serve their
24 local communities. I don't think most people in the public
25 are even aware that these license renewals are happening,

1 and we're here to let you know how you can get involved.

2 Tonight's hearing falls around the hearings that
3 were held around the country last spring to hear public
4 input about the media ownership rules that we have. I think
5 those hearings were tremendously valuable.

6 We heard firsthand from thousands of people, and I
7 sense that there is a real frustration out among the public
8 about the media. And one of the issues of concern was
9 localism, and I think it's appropriate that we now focus on
10 that issue head-on. And I think that we'll learn a lot
11 about that issue, even more deftly than we did last time.

12 So we're here to talk about localism and I'd like
13 to talk a little bit about what that means. Every community
14 has its local needs, its local talents, local elections,
15 local news, and local culture. And localism reflects the
16 commitment to local news and public affairs programming, but
17 it also means a lot more.

18 It means providing opportunities for local self-
19 expression, it means reaching out, developing and promoting
20 local performing artists and other local talent. It means
21 making programming decisions that serve local needs. It
22 means making sure that the coverage reflects the makeup of
23 the community.

24 I was fascinated to learn, for example, that the
25 Hispanic population in North Carolina has increased by

1 nearly 400 percent since 1990, with Raleigh, Greensboro and
2 Charlotte three of the four fastest growing Hispanic cities
3 in America. We need to know the concerns of the growing
4 Hispanic community as well as the African-American community
5 and other minority groups, that they are getting the
6 attention that they deserve through the licensed broadcast
7 outlets in this community.

8 Localism also means the station being responsive
9 to the community in other ways, such as dedicating the
10 resources to discover and address the needs of the
11 community. It means being accessible, sending reporters and
12 cameras out to all parts of the community, to all the
13 different stories, to really cover what's happening in the
14 community, documenting those efforts that they undertake for
15 the public to review in files that are accessible to
16 residents in the communities so they can know what the
17 station's doing.

18 I think there are many local broadcasters in this
19 country who have shown a long-term and a real commitment to
20 community service and to localism, and some stations do very
21 well with this, including some real standouts here in North
22 Carolina, and I think we'll hear from representatives of
23 some of those today.

24 So we're here tonight to learn how we can
25 encourage other stations to put the needs of the local

1 community first. That's the cornerstone of the public's
2 social contract with broadcasters.

3 As outlined by my colleagues, they get a valuable
4 license from the FCC to use the public airwaves, and then
5 they agree to act as a trustee for the public interest in
6 return. We don't give out those licenses simply to
7 broadcasters on a national basis like in other countries.
8 In many cases, like the BBC in England, they provide
9 nationwide licenses. Here historically we provide local
10 licenses to local communities and insisted that they serve
11 local needs.

12 So each -- you as licensees should take that
13 obligation very seriously and make sure to inform the
14 community about local elections, about political
15 controversies, about good things that are happening in the
16 community, and other matters that are related to the self-
17 governance of a democracy.

18 Thinking of my own family and my own father, for
19 example, was an elected republican state representative in
20 my home state of South Dakota, and he sees the need for the
21 media to cover these local concerns, what's happening in the
22 state government and local government.

23 And I think he's really onto something because if
24 you look at a study that was done of all the combined TV
25 coverage of the 2000 campaign, including local, state and

1 federal, all -- from the sheriff to the President of the
2 United States, 74 seconds per night is all we saw. People
3 heard a lot more from paid political ads in 74 seconds.

4 Maybe that's why half our population doesn't even
5 bother to vote. I don't think that's a very healthy thing
6 for our democracy. And half our people not voting isn't a
7 healthy democracy.

8 And the licensees of our broadcast stations have
9 an obligation to do something about it, they have an
10 obligation to cover what's happening in the community, to
11 get people aware of what's happening, to not just have them
12 get all their information from these overwhelming negative
13 ads. They need to cover local political issues.

14 So we're about to begin an in-depth examination.
15 This is the beginning of it, of how we, the FCC, can improve
16 how broadcasters serve their local communities, and we need
17 your input as we launch this investigation.

18 For example, how to hold stations accountable when
19 shock-jock programming offends community standards or harms
20 the residents. We've heard some stories about that right
21 here in North Carolina.

22 So I look forward to hearing from all the
23 excellent panelists and I want to thank them for coming from
24 all across the State of North Carolina to share their views
25 about how the local communities are being served, or how in

1 the case of the broadcasters they are serving their local
2 communities.

3 So thank you all for coming out and sharing your
4 views, and I thank the public for coming here, and I look
5 forward to hearing from you.

6 I've got a two-week baby home, so I've got to rush
7 out right afterwards to get back and make sure I'm serving
8 my own immediate local community. Thank you for your time
9 and I look forward to hearing from the witnesses.

10 CHAIRMAN POWELL: Thank you very much,
11 Commissioner Adelstein. As you've heard, we are really
12 honored to have with us two very distinguished members of
13 the United States Congress who have taken some time to come
14 and lend their support to the hearing.

15 We're going to hear from Congressman David Price,
16 Democratic representative from Chapel Hill, first elected to
17 Congress in 1986, and also Congressman Mel Watt, the
18 Democratic representative from here in Charlotte who has
19 served since 1992.

20 And I'd like to invite them first, if Congressman
21 Watt would like, to make a few remarks, and we welcome you
22 to do that, sir.

23 CONGRESSMAN WATT: I want to personally thank
24 Chairman Powell and the other Commissioners for providing
25 this opportunity for our residents to express their feelings

1 about the importance of localism in broadcasting.

2 I'm mindful that the purpose of this hearing is to
3 get the input of the people, not their representatives in
4 Congress. Consequently, my comments will be brief and I've
5 submitted a longer version of what I have to say to the
6 secretary.

7 Before proceeding to my substantive comments, I
8 want to make two brief points that may be unnecessary
9 because they are so obvious. I do so only because I think
10 they should not be taken for granted.

11 First, isn't it great to live in a country that
12 places a value on having a discussion such as this which
13 first and foremost assumes an unequivocal commitment to the
14 importance of the First Amendment and to the importance of
15 the rights the First Amendment protects, free speech and
16 free and open press?

17 What would many people around the world give to
18 have an opportunity such as this to express themselves?

19 Second, while tonight's discussion is about
20 localism in broadcasting, and you're likely to hear over and
21 over that localism is important, I think it is also
22 important to emphasize that every element of our system of
23 broadcasting plays a valuable role whether the local,
24 regional, national, print, television, radio or tech. In
25 short, the best citizen is an informed citizen.

1 Substantively, my bottom line is that localism in
2 broadcasting is extremely important. That probably became
3 obvious from a high profile source recently, the President
4 of the United States.

5 President Bush complained about how he perceived
6 that the national media was filtering good information about
7 the way things are going in Iraq, and indicated that he was
8 turning to local broadcasters to get the, quote, real story
9 out. If all of our media had been national media, that
10 option clearly would not have been available to the
11 President. This example clearly illustrates the value of
12 differing perspectives in the media.

13 I suspect you're going to hear a parade of people
14 today who agree with the President that localism is
15 important. I'll also be surprised if you don't also hear
16 that the current local and national breakdown seems to be
17 working real well in this community, which leads me to the
18 first point I want to make.

19 If the system wasn't broke, why did the FCC try to
20 fix it? Already today ten companies control the huge
21 majority of media, radio, television, books, magazines,
22 cable, internet, movies and music. One can make a good case
23 that localism was about the only thing that was keeping some
24 semblance of balance in the system.

25 So why would the FCC want to make a bad situation

1 worse by running the risk of reducing that important local
2 ingredient?

3 In short, there seems to me to be no justification
4 for the FCC's June 2 decision to allow one company in our
5 largest cities to own up to three TV stations, the daily
6 newspaper, eight radio stations, the cable system and the
7 internet sites affiliated with all of these.

8 If the decision stands, I believe fewer and fewer
9 large corporations will control more and more of our media.

10 And I believe we could expect lower standards, less
11 attention to local interest and talent, and a dramatic
12 decline in the diversity of public voices we hear, see and
13 read. I think this would be bad for our democracy. That is
14 why I have been a part of ongoing efforts in Congress to
15 reverse the 3-2 decision of the FCC.

16 I want to make a second point quickly, but with no
17 less passion. There are important elements to diversity in
18 media other than just the issue of whether local groups or
19 national corporations own the bulk of our media outlets.

20 One element that is extremely important to my
21 constituents and to me is the lack of racial minorities in
22 the media ownership. This issue was addressed eloquently by
23 Commissioner Adelstein on July 22nd in his speech delivered
24 to the Minority Media and Telecommunications Council. I
25 agree with the Commissioner that the FCC's new ownership

1 rules would likely make, quote, "the situation for
2 minorities and new entrants go from bad to worse", close
3 quote.

4 Despite representing more than 29 percent of the
5 U.S. population, minority broadcasters own only four percent
6 of the nation's commercial stations, a decline of 14 percent
7 since enactment of the Telecommunications Act of 1996; and
8 1.9 percent of the nation's commercial television stations.

9 In a report and order released by the FCC on July
10 2, 2003 and published in the Federal Register on August 5,
11 2003, the FCC stated, quote, "that encouraging minority and
12 female ownership historically has been an important
13 Commission objective and we affirm that goal here", close
14 quote.

15 Both because I think minority ownership is
16 important and because I believe minority ownership best
17 promotes a diversity of viewpoints, I simply want to
18 encourage the FCC to make -- to take this objective
19 seriously and make a real commitment to it.

20 Enough said on this issue. I thank you again, Mr.
21 Chairman, for being here. I hope you enjoy this great city,
22 and I'm delighted to have you in the 12th Congressional
23 District of North Carolina.

24 (Applause.)

25 CHAIRMAN POWELL: Thank you, Congressman Watt.

1 Congressman Price, please.

2 CONGRESSMAN PRICE: Thank you, Mr. Chairman. Let
3 me add my welcome to you and other members of the Commission
4 for holding this, the first of your nationwide hearings on
5 localism and license renewal here in North Carolina. We
6 welcome you and we appreciate the effort you have made to
7 take this show on the road, and to start out in this
8 community.

9 In a way this discussion tonight we'll continue
10 the discussion we had at Duke University in March with
11 Commissioners Copps and Adelstein when the issue was
12 localism as it pertained to media ownership.

13 I'm happy to see many familiar faces here tonight
14 from the Triangle area of North Carolina. We've known for a
15 long time how important local media are to our communities,
16 but I must say we hardly anticipated how loudly this issue
17 would resonate across the political spectrum.

18 I remember from my short-lived career in radio in
19 one of those one thousand watt stations that sprang up in
20 the 1950s, how stations were required to document their
21 local programming and public service at license renewal
22 time. Most of these rules are no more. But the need to
23 ensure the local media meet the needs of their communities
24 remain.

25 The license renewal process is an important part

1 of that, I believe, but it can't do the job alone. Network
2 executives can't do that from their corporate offices in New
3 York either. Rather, local broadcasters have a day-to-day
4 responsibility. These broadcasters are responsible for
5 programming that covers and engages their local communities.
6 Indeed, they're often at their best when they compete with
7 each other in providing such coverage.

8 Viewers and listeners have told us in overwhelming
9 numbers how much they value this local orientation and want
10 it encouraged, not smothered.

11 Localism is partly about who owns television and
12 radio stations, but it's also about how broadcasters
13 determine their programming, programming that adheres to
14 their community standards, not the standards of some reality
15 TV producer in Los Angeles or some Dixie Chicks bashing
16 political operative in Washington.

17 Just look at radio. We're living in a world where
18 one or a very few companies can control most of the stations
19 we listen to. Many local stations these days are
20 essentially run by remote control. Post-1996 deregulation
21 has not been kind to localism and radio. Why on earth would
22 we want to see television go down that same path?

23 Diversity in media isn't about 200 flavors on
24 cable or on satellite TV or radio. It's about the diversity
25 and the independence of our media, media that reflect the

1 standards and needs of our communities.

2 Americans have made their voice heard in this
3 debate and I expect we'll hear a good deal more of that
4 tonight. My thanks to the Commission for making this
5 exchange possible.

6 And, Mr. Chairman, if I might, in a demonstration
7 that concern for localism does in fact cross party lines,
8 I'd like to ask that a fine article recently from **The**
9 **Charlotte Observer** be included in the record by former
10 Senator Jesse Helms and Representative Richard Burr entitled
11 Keep Control of TV Local.

12 (Applause.)

13 CHAIRMAN POWELL: Thank you very much,
14 Congressman. I'll be happy to submit that for the record.
15 At this point I'd like to ask the secretary of the FCC to
16 please announce officially tonight's meeting.

17 SECRETARY DORTCH: Thank you, Mr. Chairman. Good
18 evening to you, Commissioners, panelists and special guests.
19 The following are the procedures for today's Localism Task
20 Force public hearing. We will utilize a time machine to
21 maintain time limits on each presentation. Each panelist
22 will have a total of three minutes to make their individual
23 presentation.

24 The green light will signal for the first two
25 minutes of your remarks. When the yellow light signals,

1 you'll have one minute remaining. At that time you should
2 sum up your presentation and closing remarks. The red light
3 signals the end of your allotted time. Please conclude your
4 remarks at that time. Thank you.

5 CHAIRMAN POWELL: Thank you, Madam Secretary. Let
6 me take a second to explain to the audience exactly how the
7 program will proceed before we get started.

8 The first panel will offer their testimony, and as
9 they are speaking, all members of the public are invited to
10 write down any questions you may have for the panelist on
11 notecards. You'll find those notecards in the packets you
12 picked up when you came in.

13 Those cards will be collected and delivered up
14 here and we'll pose as many of the questions to the
15 panelists as time permits. In addition, my colleagues and I
16 may take the opportunity to ask questions of the panelists
17 as well.

18 Following the first panel we will have an open mic
19 period, and all members of the audience are welcome to offer
20 comments or ask questions of the panelists directly. We'll
21 then take a short break, and the second panel will make
22 their presentations, again followed by questions from the
23 bench and written questions from the audience.

24 So without further ado we should get started with
25 our first panel, and let me please ask Mr. Keelor to provide

1 your opening statement. Welcome and thank you for being
2 with us.

3 MR. KEELOR: Thank you, Mr. Chairman,
4 Commissioners. My name is Jim Keelor; I'm president and COO
5 of Liberty Corporation based in Greenville, South Carolina.
6 Liberty owns fifteen television stations, including WIS, the
7 NBC affiliate in Columbia, and WWAY, the ABC affiliate in
8 Wilmington. Our other markets run from 50 to 180.

9 I started out in broadcasting 36 years ago as a
10 local reporter, so I think I've seen the industry from the
11 ground up and I'm grateful for the opportunity to share some
12 of the experiences of how a television station serve their
13 local markets.

14 Shortly after beginning work at one of our
15 stations, every new Liberty employee received from me a
16 personal letter and that letter begins, quote, "we here at
17 Liberty are very serious about our commitments to the
18 communities we serve", end quote. And while there are too
19 many examples of this commitment to describe here, I would
20 like to mention just a few of those station efforts.

21 First, as most of you know, the Carolinas have an
22 unfortunate history of hurricanes and other severe weather,
23 and over the years both WWAY and WIS have dedicated
24 thousands of hours to covering these storms, most recently
25 Hurricane Isabel.

1 Liberty has invested millions of dollars in state-
2 of-the-art weather tracking equipment and other technology
3 which help us to broadcast localized emergency warnings and
4 report on the community recovery efforts. We have also
5 organized fundraisers to help those families who were
6 victims of the storms.

7 Liberty's stations also devote a substantial
8 amount of free air time to covering local politics. WWAY
9 and the North Carolina Broadcasters Association have a 25-
10 year history of producing debates among statewide political
11 candidates. WIS produced and aired live debates before both
12 the primary and general elections for governor in South
13 Carolina in 2002.

14 Prior to that general election WIS aired live
15 interviews during its top-rated evening newscast with 18
16 candidates for federal and statewide offices, and profiles
17 of eight different key issues in the races for the U.S.
18 Senate and governor, all at no cost to the candidates.

19 Our stations also recognize their special place in
20 the community as a source of education and culture. For
21 example, WWAY provided special programming on the debut and
22 opening of the new Cameron Art Museum in Wilmington, and a
23 thirty-minute special just before that museum opened.

24 WIS, for its part, recently launched a terrific
25 new program called "A Class Act" which helps teachers in

1 South Carolina equip their classrooms with needed supplies
2 in the face of government cuts in educational funds.

3 Commissioners, we think it's important for you to
4 understand that Liberty is not unique in its commitment to
5 localism. It's what broadcasters must strive to do. Local
6 stations understand that given their unique place in the
7 community, it is important and a necessity for them to be
8 good corporate citizens.

9 But we also know that in this era of six
10 nationwide TV networks, 80 cable channels, high-speed
11 internet, and all the other sources of information out
12 there, we must differentiate ourselves if we're going to
13 attract and hold the attention of our viewers. The best way
14 for us to do that is to be involved in our communities, be
15 responsible and responsive to the concerns of our local
16 audience. That is something Liberty Corporation learned a
17 long time ago, and it is the main reason we've been able to
18 survive and flourish as a group of stations located in small
19 markets for so many years.

20 Again, thank you for this opportunity. I'll be
21 happy to answer any questions from the Commissioners or the
22 audience might have.

23 CHAIRMAN POWELL: Thank you very much, sir. Ms.
24 Debbie Kwei, General Manager of WCHH.

25 MS. KWEI: Thank you and good evening. My name is

1 Debbie Kwei and I'm the General Manager of WCHH, 92.7 here
2 in Charlotte. We are a member of the Radio One family which
3 serves local markets with a large African-American presence.

4 Having lived in Charlotte since 1988, I was
5 thrilled when WCHH hired me three years ago as it set out to
6 bring a unique urban format to my local community. I'm
7 delighted to speak to you today on the subject of localism
8 because I'm proud of the achievements WCHH has made in
9 reaching out to the African-American community in Charlotte.

10 First I'd like you to know that Radio One came to
11 the Charlotte area because of its large and growing African-
12 American population of over 300,000 residents. Before
13 WCHH's arrival, 92.7 FM had been an exclusively oldies
14 station with a significantly smaller minority following than
15 it enjoys today.

16 Welcoming the addition of our station to the
17 market, the local arts and entertainment tabloid, Creative
18 Loafing, gave us its best format change award for 2001.
19 Rather than having to turn to national cable outlets like
20 MTV or BET, Charlotte's many urban music fans can tune into
21 one of three very local radio venues in fulfilling their
22 musical interests.

23 The urban radio heard in Charlotte is not the same
24 as that of Los Angeles or Detroit. We regularly invite
25 listeners to our offices and ask for feedback about our

1 programming. We combine their input with other research to
2 help us know which artists, whether national or local,
3 Charlotte's urban music fans want to hear. Through this
4 process WCHH creates a format that reflects the particular
5 musical tastes of southern urban listeners.

6 For example, in addition to popular national
7 artists, we are always excited to air local urban talent, as
8 we have done with a young North Carolina artist named
9 Sherica. Because of her local appeal, I doubt people in
10 other cities can hear Sherica as often as they have done on
11 WCHH.

12 WCHH also airs a weekly program called Heat From
13 the Street which exclusively features local artists. To
14 find other new acts that appeal to our listeners, station
15 program directors in Charlotte will meet with
16 representatives of independent labels weekly.

17 By attracting a larger music following, WCHH is a
18 perfect outlet for speakers wishing to reach the local
19 African-American community, whether on issues of personal
20 well-being or during local emergencies like recent Hurricane
21 Isabel.

22 Seizing upon these opportunities is our Life
23 Improvements for Everyone Campaign which tackles six issues
24 per year that are a particular concern to the African-
25 American community.

1 For example, in the upcoming campaign WCHH will
2 run public service announcements with the local American Red
3 Cross Chapters to inform listeners about the low supply of
4 minority bone marrow donors and opportunities for free bone
5 marrow testing for minorities.

6 To be sure the local Red Cross has the attention
7 of our listeners, we will air stories about the sister of
8 popular urban artist Nelly who is suffering from leukemia.

9 This month for breast cancer awareness, we asked
10 representatives from the local clinics to speak on the air
11 about the need for regular detection measures.

12 In airing these and other public service messages
13 we could not reach Charlotte's African-American community if
14 we hadn't first met our locality's particular interest in
15 urban music. Thus, localism for us is learning and catering
16 to the listening interest of our local target audience
17 working with the community on important issues of public
18 concern, and providing an outlet for local artists.

19 Thank you very much for your time. I look forward
20 to hearing your questions.

21 CHAIRMAN POWELL: Thank you very much, Ms. Kwei.
22 Our next panelist is Tift Merritt.

23 MS. MERRITT: Hi, my name is Tift Merritt. I'm a
24 major label recording artist. And if you haven't ever heard
25 of me, it's because I'm not on your radio. I've brought my

1 record if you want to pass them out; I'd appreciate it.

2 Time Magazine named my debut the number six record
3 of 2002; Billboard called me a major new artist; CMT
4 regularly played my music video. Here's my spread in Vanity
5 Fair and I was on David Letter- -- I'm legit, and I'm not
6 here to complain that I'm not the queen of the radio.

7 I'm here because I'm a North Carolina musician;
8 I'm a North Carolina businesswoman. Everyone in my band is
9 from North Carolina. The support of my North Carolina fans
10 has really allowed me to accomplish what I have, so you're
11 looking at local.

12 And when I was invited to speak today, I was told
13 that today's debates are about localism, not about
14 ownership. As a local, I want to make it clear that any
15 conversation about localism without regard to media
16 ownership is absolutely avoiding the heart of this issue and
17 certainly cannot render a sincere solution.

18 (Applause.)

19 I only have three minutes, so I'm going to cut you
20 off. In Fortune magazine the president of Clear Channel,
21 Lowery Mays, I am not attacking him; I'm saying what he
22 said. He said that his company is not interested in music,
23 in songs, in DJs; they sell advertising.

24 I'm here today because I'm very distressed that
25 the FCC feels comfortable allowing the public airwaves to

1 rest in the hands of people who admittedly do not care about
2 content. The airwaves are public; the airwaves serve the
3 public, not a corporate bottom line, and this is where
4 localism begins.

5 In North Carolina I've sold as many records as
6 people like Toby Keith and Alan Jackson. My local country
7 affiliate knew about this. People called in and requested
8 me. And because I'm local, and a lot of them told me about
9 it. And you would think that because I was making such
10 major inroads nationally that the station would have been
11 thrilled to support me. Not once.

12 And, in fact, the people who called in were told
13 by the DJs that the DJs wanted to play me, but management
14 was going to have to change the programming.

15 And on top of that, when this issue came to light
16 earlier this spring and received some publicity, the station
17 said well, it's because Tift's record company didn't contact
18 us, which was absolutely, probably the truth because my
19 record company, who I have a wonderful relationship with,
20 did make the decision that they were not going to spend a
21 lot of money on an expensive radio campaign.

22 Do you understand what that means? It costs money
23 to get on the radio. And, you know, these executives are
24 really smart, but they're not smart enough they want me to
25 pay it back, so they put it on my royalty statement of what

1 I'm financially responsible to them for. So it's, you know,
2 it's there.

3 I think in my instance I don't understand how the
4 airwaves can be a place of healthy competition. For
5 example, radio conglomerates claim that programming is
6 localized, and I don't see how this can be true in this
7 case. And deregulation proponents claim that the airwaves
8 are public. But how, when a station disregarded listeners
9 in the signal range, how can that be true?

10 I want to make it very clear that I'm a realistic,
11 small businesswoman and that I was locked out of competition
12 and isolated from my main line to my audience. The fewer
13 the radio station owners, the fewer and the -- the less the
14 concern about content. The more monotony on every play
15 list, the more I will be locked out and thousands,
16 thousands, thousands of people like me will be in that
17 situation.

18 And these are people that bring 500 to 2,000
19 people to your main street on any given night. They fill
20 your restaurants, they use FedEx, they use hotels. These
21 are legitimate people who contribute to the economy. But
22 most importantly, they bring their music and they're going
23 to be silenced.

24 Commissioner, the new media rules incorporating
25 clear standards for local programming are important, but

1 local initiative that refuses to recognize the role that
2 concentrated media plays in stifling local voices simply
3 elevates window-dressing over true substance.

4 And in North Carolina if you want to talk about
5 local musicians, you're talking about John Coltrane, you're
6 talking about Roberta Flack, Doc Watson, Max Roach, Earl
7 Scruggs, people who not only made this state unique, but
8 have shaped the heritage of our country and are reknown
9 around the world.

10 If you give young musicians no possibility of
11 making a living, if you give the radio waves to people with
12 no regard for music or localism or content, if you stifle
13 the musical outlets with an unfettered interest in the
14 bottom line, you will scatter not only the next generation
15 of North Carolina talent, but 49 other states worth because
16 they will have to find something more feasible than an
17 instrument to voice their sorrow and their joy.

18 Thank you for your time.

19 (Applause.)

20 CHAIRMAN POWELL: Thank you, Ms. Merritt, for that
21 passionate recitation.

22 MS. MERRITT: I was hoping to be charming, but I
23 didn't know I'd only have three minutes. I was told five.

24 CHAIRMAN POWELL: It was a righteous five, though.
25 Our fourth panelist is Ms. Joan Siefert Rose, General

1 Manager of WUNC-FM. We're very happy to have you here, and
2 please proceed.

3 MS. ROSE: I'm glad to be here, and I'm also very
4 pleased to tell you that Tift Merritt can be heard on WUNC,
5 as well as on many other public stations across the state.
6 It is an honor for those of us down on the left-hand side of
7 the FM band to address the Commission's Task Force on
8 Localism on behalf of noncommercial broadcasters in the
9 state.

10 The topic of the hearing today which is local
11 public service really touches upon my core responsibility as
12 a public broadcaster. I'm sure that most of you here have
13 tuned in to public radio at some point. North Carolina has
14 15 different public radio licensees offering news, public
15 affairs, classical music, jazz, bluegrass, hip-hop, reggae,
16 community service announcements, and reading services to the
17 blind.

18 And we have a combined weekly audience of 1.3
19 million listeners across the state, so it's a significant
20 audience that is reached in North Carolina.

21 One of the licensees is WUNC public radio. We're
22 a news and public affairs service, with bluegrass music on
23 the weekends, licensed to the University of North Carolina
24 at Chapel Hill. We serve 300,000 weekly listeners in 36
25 counties in North Carolina.

1 We don't receive any direct funds from either the
2 university or the State of North Carolina. And in a typical
3 year we receive less than ten percent of our operating
4 dollars from the Federal Corporation for Public
5 Broadcasting. We must rely on the generous support of the
6 local community of listeners to keep us on the air.

7 Therefore, we really do depend on the extent of
8 the service we provide responsive to the needs and interests
9 of our local listeners that we serve.

10 As a public broadcaster, WUNC is an editorial
11 voice that speaks with a North Carolina accent. That is, we
12 live and we breathe the stories we report. Local
13 programming is personally very important to me.

14 I was moved by Congressman Price's discussion of
15 his brief career at a 1,000 watt station, because when I
16 became a broadcast journalist 25 years ago, the industry
17 required each radio station to provide a minimum amount of
18 local news and public affairs. I learned my craft at small
19 stations just like that and practiced it in increasingly
20 larger markets of commercial stations.

21 Although commercial stations no longer face
22 specific local programming requirements, local news and
23 public affairs programming remain the very foundation of
24 public broadcasting.

25 While commercial broadcasters still do perform

1 many valuable services, and is ably documented by the panel
2 here this evening, we are unique in our ability as a non-
3 commercial station to dedicate enormous amounts of our time
4 and resources to creating purely local programming.

5 The FCC can help support the strong local
6 programming on non-commercial stations like WUNC. You can
7 help by protecting the technical integrity of our broadcast
8 signals by enforcing non-interference technical standards in
9 a fair, reasonable and timely manner.

10 I'd like to point out that WUNC recently incurred
11 an expensive and lengthy technical challenge at the FCC
12 against an interfering translator station. I also want to
13 point out that most public stations do not have the
14 financial or legal resources to do so.

15 We very much encourage diverse voices and
16 viewpoints and welcome new broadcasters to the spectrum, but
17 we also want to point out that it should not be done -- the
18 signal should not be at the expense of existing public
19 stations that provide excellent service to listeners.

20 I also wish in closing to pay tribute to UNC
21 television, public television stations serving more than two
22 million viewers every week across the state, and also to the
23 public TV station and the public radio station here in
24 Charlotte. Their stewardship to the community sets a
25 standard that is the envy of public television and radio

1 broadcasters across the country.

2 My fuller statement is being submitted for the
3 record along with a voluminous set of letters from listeners
4 and viewers to the local public -- to their local radio and
5 television stations talking about the service that has been
6 provided, and I thank you very much for this opportunity.

7 (Applause.)

8 CHAIRMAN POWELL: Thank you for your presentation
9 and we'll now allow questions of the panelists. And if you
10 haven't filled out your card, please do so and send them
11 forward. I invite my colleagues to ask any questions they
12 might have.

13 I'd like to start with a question at least for the
14 two commercial broadcasters and I think even public
15 broadcasting would have something to say about it.

16 On the way down in the plane I was reading a
17 number of E-mails that we've already begun to receive at our
18 localism site about this area, and I want to read one
19 criticism and ask a question about it.

20 This local resident writes: "I'd like to state my
21 support for any initiative which allows more local
22 controlled media outlet. The trend has been away from
23 anything local in the way of radio broadcast. Every day we
24 hear about radio stations being bought up by conglomerates,
25 in many cases, American corporations.

1 Who's to say that they're -- what their agendas
2 really are? They certainly don't have local community
3 interest at heart, and the end result is driving out local
4 culture. The corporation's, by necessities, desire is to
5 increase its bottom line, and that's inherently incompatible
6 with local interests."

7 A lot of times that is the sentiment that
8 underlies the tension between commercial or corporate
9 broadcasting and the public interest, that they are in some
10 sense incompatible, that somehow serving the bottom line or
11 being profitable is not consistent with that.

12 And I'd ask all of you to comment on that or offer
13 some dimension to that if you'd like. I'd even be willing
14 to bet that there are broadcasters on the other side who
15 wish to speak to it to answer.

16 MR. KEELOR: Well, I'll attempt to answer that. I
17 think first of all one of the distressful things we see in
18 television in a lot of the small markets is given the cost
19 of competition and operation and particularly with the
20 digital conversion, a lot of small market owners are in
21 financial trouble.

22 That is, they make a profit, but they do not have
23 the kind of resources to invest in the kind of services they
24 might like to have. Those are individual cases. I will
25 speak only to my own company.

1 I am proud to say that if you went into any of our
2 markets, I don't think anyone in the market would know who
3 Liberty Corporation is, and we designed it that way. We try
4 very hard not to be a corporate entity. We are local
5 television stations. Our local managers head the United
6 Way, we do Red Cross blood drives, we do all those things
7 that identifies us in the community.

8 So in Liberty Corporation's -- at least in our
9 situation, I don't think that really applies because in our
10 markets other than the little disclaimer we put up at the
11 end of the newscasts that, you know, owned by Liberty
12 Corporation, which is required by law as identification, no
13 one knows who we are, and we like it that way.

14 We want them to know who the local management, the
15 local talent, the local programming and the local station
16 are.

17 MS. KWEI: Just to kind of follow up on that, I
18 would agree and I think most of the FM broadcast radio
19 stations in the market pretty much do the same thing, and
20 that is we all stamp, if you will, our local stations versus
21 our company headquarters. When we're on the air we speak of
22 our individual stations, not the corporate owners.

23 Just to kind of follow up on what you said, I
24 totally -- I agree with you somewhat and I agree with that
25 person somewhat because I think that there is always, always

1 a striving on our part to do better. I don't think any
2 broadcaster in this room or elsewhere can honestly sit and
3 say that they're doing everything right.

4 On a day-to-day basis we sit and we meet locally,
5 I think our COO and our director of sales nationally meet
6 daily, weekly, trying to figure out ways and find ways in
7 which we can do a better job.

8 Revenue is a big part of what we do. We are
9 commercial radio stations, but at the same time we have a
10 responsibility. In our case we have a responsibility to the
11 community at large, we have a responsibility to the African-
12 American community to uphold certain standards, to follow
13 policies and guidelines set by the FCC, which we all do, and
14 again, we try our best to do it better on a day-to-day
15 basis.

16 So I hear that person loud and clear, and I think
17 it would be very easy for us to sit here and say that that's
18 not true, where what I think we're trying to say is to a
19 certain degree it is true, but we have to do a better job
20 daily in trying to overcome that.

21 MS. ROSE: Even as a public broadcaster certainly
22 we can do more to reflect our local community. However, I
23 think we are naturally aligned in the fact that our
24 contributions and our operating dollars largely come from
25 individual listeners. So to the extent that our programming

1 is responsive to their needs, they will contribute. And if
2 they don't contribute, then we know we are not meeting their
3 needs.

4 We get a report card very quickly on that, so I
5 would say I would agree with the other speakers that we
6 could do more certainly and we intend to as our resources
7 grow and as we meet the needs of listeners we anticipate the
8 contributions will increase.

9 COMMISSIONER COPPS: Let me just ask one question
10 while we wait for the cards, and I'll ask it of Jim Keelor.

11 The right of a local station or an affiliated station to
12 reject a program strikes a lot of people, including me, as
13 integral to preserving localism and this raises its head
14 particularly in the matter of indecent programming that
15 might be contrary to the values of a community.

16 How important is the right to reject and is it a
17 problem for you or for other independent stations that you
18 know of to reject a network feed that you deem unacceptable
19 to the values of the local community?

20 MR. KEELOR: Well, Commissioner Copps, I think
21 you're correct in that the right to reject rule for 50 years
22 the Commission has recognized that as a core of localism and
23 we'd like to see that continued.

24 The dynamics of the network affiliate relationship
25 changed so much that it is more difficult to preempt network

1 programming. But I think you also have to realize that the
2 right to reject rule insists that the licensee is really the
3 sole determiner of the quality and content of a program for
4 the local market.

5 And there are also times when a local program, be
6 it a high school championship, a student debate, a town hall
7 meeting, might take precedent over a network program. And
8 that -- I'm not talking about a news event now, I'm talking
9 about a community event. And I think a station should have
10 the right to reject to do that.

11 In the dynamics that exist today, it is difficult
12 to make that happen and getting more difficult. And I think
13 that's why the affiliated stations group filed a petition to
14 the Commission more than two years ago asking them to simply
15 reaffirm, not create new law, but reaffirmed what has been a
16 fifty year tradition of the right to reject.

17 And the petition is still there and has not been
18 acted on, and I think that if you really want to see
19 something that can drive localism and ensure it for the
20 future, we would like to see the Commission clarify and
21 reaffirm its fifty year support of the right to reject rule.

22 COMMISSIONER ADELSTEIN: Ms. Merritt, you said
23 something that caught my attention. You said essentially
24 that you have to pay for play on radio, that the label or
25 you are forced to pay. That's commonly known as payola.

1 I'm wondering if you understand that's a violation
2 of the law, that --

3 MS. MERRITT: Do you mean do I understand?

4 COMMISSIONER ADELSTEIN: Well, you --

5 MS. MERRITT: I have not violated the law. I
6 understand it.

7 COMMISSIONER ADELSTEIN: Let me explain to you the
8 situation, that the law requires that if a station requires
9 payment for play of something on the radio, that that be
10 disclosed. Now, that's pretty much acceptable for that to
11 happen, but the station has to say brought to you by EMI
12 Records is such and such an artist.

13 Now, you mentioned this was a line item on your
14 statement as if they were charging you directly, and I'm
15 just wondering if you're suggesting that payola is keeping
16 local artists like yourself off of the radio.

17 MS. MERRITT: Well, there's a system in place and
18 it's absolutely naive to think that pay for play doesn't go
19 on. There are elaborate ways of independent promotion, that
20 this completely happens. I'd like to cite an Observer
21 article from Saturday, October 18th, about country radio.

22 And it says: "but Logan, the first subject in
23 this, acknowledged that many veteran acts, veteran musical
24 acts, now record for small independent labels that don't
25 have a lot of promotional muscle."

1 I'll ask you, what do you think promotional muscle
2 is? I think it's money; right? I mean, maybe you should
3 call these guys and ask them too, but there is certainly a
4 system in place. You know, I've heard of people getting a
5 bill from a radio station when they were played.

6 COMMISSIONER ADELSTEIN: That's something that
7 deserves further investigation. Certainly I'll follow up
8 this question to you, Joan Siefert Rose.

9 You said that Tift Merritt could be heard on WUNC.
10 Do you think that has anything to do with the fact that
11 you're a non-commercial station so obviously payola doesn't
12 enter the picture? I mean, does that possibly have to do
13 with any evidence of this kind of activity in the radio
14 business?

15 MS. ROSE: You know, I really can't speak on
16 behalf of commercial broadcasters here. I only know that
17 our policies are to give exposure to local artists. This is
18 part of our mandate as a non-commercial station.

19 And one of the programs that we have on the
20 weekend really focuses on traditional music and bluegrass
21 music and country music for the area. So Tift is a very
22 logical artist for us to play, very popular with our
23 listeners. So in our case we really are motivated to
24 provide talent and recordings that we think would be
25 something that our listeners would like to hear, and that's

1 about as simple as it gets.

2 CHAIRMAN POWELL: I'd like to read a couple
3 questions here. I'd like to read two of them and then maybe
4 we'll go into the open mike session and continue the
5 discussion.

6 The first is for Mr. Keelor. It's in reference to
7 free time for candidates during debates and candidate
8 interviews.

9 "Isn't it a legal requirement for licensing in
10 exchange for use of the public airwaves? What measures do
11 you take to ensure fair and equal airtime for all
12 candidates, and does that include third-party candidates?"

13 MR. KEELOR: It does, sir. All of the Liberty
14 stations during the last mayoral elections offered
15 candidates free time in various formats other than
16 newscasts. A five, three-minute, two-minute segment where
17 they could come in and tape any statement they wanted to
18 make and it would be carried in various day parts; some in
19 prime, some late night, some early and so forth. So we made
20 that effort.

21 We've also opened up, and we were disappointed by
22 the candidates' response to our offer of a free internet
23 platform. We asked them to put their campaign positions,
24 their bios and so forth on our websites. And because our
25 stations are, for the most part, I think 13 of 15 are number

1 one stations, we drive a lot of viewers to our websites. And
2 we were disappointed that only one or two took advantage of
3 that.

4 I think my point here is we have multiple
5 platforms now to make candidates available. If we can get
6 digital up and running and can multicast, I see a huge
7 opportunity for us to provide more airtime to candidates
8 using the digital spectrum, and I think that's in our
9 company's game plan.

10 So free time is something we do routinely. We
11 certainly provide a lot of coverage during our newscasts.
12 We have done live debates which have been picked up by
13 national networks and we have offered our website. So we're
14 trying to give them multiple platforms. We do not always
15 get the cooperation of the candidates that we would like to
16 get.

17 CHAIRMAN POWELL: Thank you. A second question
18 which I think is interesting: "Will calls for more public
19 service from broadcast stations be used as an excuse to
20 punish smaller stations not affiliated with large
21 corporations?"

22 For example, a small and independent station has a
23 much harder time maintaining profits than a corporate
24 affiliated station that can afford to run at a loss by
25 borrowing profits from other partner stations. For that

1 reason corporate stations must be held to a higher
2 standard."

3 What I think is interesting in the question is the
4 suggestion that if there were government mandates for public
5 interest obligations, should they be in some ways graduated,
6 given the nature of the station; that a smaller station
7 under perhaps greater financial difficulty would have fewer
8 public interest obligations.

9 MR. KEELOR: What I was alluding to before in the
10 smaller markets is that to provide good service, you must
11 have the resources to do so. And the fifth station, the WB
12 station in Sioux City, Iowa may not have those resources.

13 I think public interest standards in some degree
14 are acceptable. I don't object to them philosophically.
15 What I have always objected to them is the basis that they
16 are terrible administrative burdens, and that we spend so
17 much time administering what the government wants done that
18 we could be devoting to serving the public. That's been my
19 concern with going back to the Fairness Doctrine and various
20 other things.

21 But to answer specifically, I think they need to
22 be applied uniformly if you're going to have them. I
23 question to what degree you need them. The Commission
24 obviously in the past several years has believed we do not.

25 CHAIRMAN POWELL: The next question, -- and we'll

1 take a few minutes to get through more of these before we go
2 to open mic since they are also from the audience.

3 The question here, to discuss the personal attack
4 regulations: "If a radio station broadcasts a personal
5 attack on a non-public figure, is the station required to
6 provide a copy of the attack to the individual? What are
7 the penalties for not following the personal attack
8 regulation?"

9 I believe I can answer this question. The
10 Commission had personal attack rules which were ultimately
11 struck down in court and don't currently exist in the
12 Commission rules as a consequence of a case called RTNDA
13 (phonetic), if I recall correctly, so regrettably we don't
14 have rules that we're capable of enforcing in that area at
15 the moment.

16 In order to criticize the Chair, I should ask this
17 question. "Why are the questions from the audience being
18 filtered by the staff members before they get to the
19 Commissioners?"

20 (Laughter.)

21 CHAIRMAN POWELL: I don't know. I hope they're
22 not. We'll do the best we can to get to all the questions
23 fairly, and you'll be provided with open mic time and nobody
24 will be filtering through the microphone. So if we are, I
25 apologize for that.

1 A question for our broadcast owners: "What
2 efforts do you take to try to inform your employees about a
3 station's -- from the station's perspective about guidelines
4 for airing local artists? Do you have some outlines or
5 training for employees to help with this?"

6 MS. KWEI: Yes, we do. And I have to tell you,
7 over the last several months or the last, really, last year
8 it's gotten a lot better where we have a -- we have some
9 standards set in place where weekly our program directors
10 and our music directors are instructed by myself, the
11 general manager, and it comes from the headquarters, that we
12 have to allow access for local artists and independent
13 labels to pitch their product, quite frankly. We do that on
14 a weekly basis.

15 Often times it may be a face-to-face meeting or it
16 may be a phone conversation, but we have put those measures
17 in place over the last several months in an effort, once
18 again, to do better.

19 We have a program, as I mentioned in my opening
20 statement, on Sunday evenings called Heat From the Street,
21 and it is hosted by some young local people, and the primary
22 goal of that program a lot like the bluegrass program, is to
23 provide a platform for local artists to be heard.

24 We listen for what the public wants, and often
25 times -- and I did mention this one artist named Sherica, --

1 we will hear a lot of rave reviews from some particular
2 artist that will end up getting play on our radio station.
3 Or in our cases we have invited a lot of our local artists
4 who have risen to that point to perform at some of our
5 events.

6 So those are some of the efforts that we have
7 instituted to make sure that we're doing the best that we
8 can, and again on a day-to-day basis trying to get better.

9 CHAIRMAN POWELL: "What ideas do any of you have
10 as broadcasters to make local coverage of local political
11 campaigns a lot more interesting?

12 From my perspective, simply airing debates isn't
13 enough, and ads often turn voters off. Can anyone be more
14 creative?" Good luck with that one.

15 (Laughter.)

16 MR. KEELOR: Sometimes we're the victims of the
17 subject matter we have to cover.

18 (Applause.)

19 Ironically, because we are not a newspaper and you
20 cannot print another page, we have a finite amount of
21 airtime and a finite amount of commercial time. And it is
22 true in our stations' cases that we are not able to devote
23 as much time to maybe to the agricultural secretary race or
24 something like that, that we do the county commission, city
25 council and so forth. I think we have to prioritize and I

1 think the public understands that.

2 But the invitation that we made for free time went
3 out to all candidates and the internet offer went out to all
4 candidates. So that's when we were really disappointed that
5 we really didn't get access to that because I think it's our
6 obligation to provide access and to provide the platform,
7 but I don't see any way we can make the candidates come or
8 make the people see it.

9 MS. ROSE: In our case we do have some long form
10 interview programs also where candidates have a chance to
11 talk at length about their platforms and interests. We tend
12 to focus on larger races, senate races, statewide races or
13 congressional races as opposed to township races. But that
14 opportunity is there, particularly when a race is heated.

15 CHAIRMAN POWELL: To Ms. Merritt, there's a
16 question for you. "What other means can be used to keep the
17 airwaves free other than having to rely on commercial
18 advertising?"

19 MS. MERRITT: Well, commercial advertising, do you
20 mean air play?

21 CHAIRMAN POWELL: I don't know.

22 MS. MERRITT: It's kind of the same thing, isn't
23 it?

24 CHAIRMAN POWELL: Well, if I can elaborate.

25 MS. MERRITT: Please do.

1 CHAIRMAN POWELL: I'm reading the mind of someone,
2 but I think the suggestion is one thing that we keep in mind
3 is that in our system of broadcasting, the government
4 doesn't fund or subsidize the media at all.

5 In a lot of countries, like Commissioner Adelstein
6 mentioned, in England, the government deals with a lot of
7 the concerns we're raising by having a government-sponsored
8 medium, the BBC. Citizens are taxed roughly \$150 per year,
9 regardless if they're watching in order to subsidize the
10 cost of that programming.

11 And we certainly have public broadcasting in the
12 United States, so the commercial motives of advertising are
13 absolutely essential to the survival of stations in our
14 system. So I guess maybe someone's reacting to your point
15 about advertising and being all they care about.

16 MR. KEELOR: Mr. Chairman, --

17 MS. MERRITT: Well, it's my turn.

18 MR. KEELOR: Go ahead.

19 MS. MERRITT: I, you know, I really am just taking
20 what the Clear Channel president said, so I'm not changing
21 his words and, you know, I think that my impression was I'm
22 very confused about what the question was.

23 Are there other means for me besides the radio?
24 Yes, there certainly are. And if you'll read my bio, I
25 think you'll see that I have used them very well. I tour

1 all around the country and in Europe, and I get a lot of
2 exposure in magazines.

3 Unfortunately it's very difficult to even break
4 even as a musician, and there is no contesting that the
5 radio is the main source that people turn to when they want
6 to hear a song. And so as a musician and my colleagues who
7 are musicians and artists, to have access to that medium
8 defiltered for the majority in this country through two or
9 three large companies really means that our chances are
10 very, very slim.

11 And, you know, I agree with you, Commissioner,
12 that I'm very proud that the government does not get
13 involved with radio in this country, that the media is run
14 on its own, that it's not a government media.

15 But by the same hand, these companies are really
16 being allowed to go -- they are given -- right now they have
17 protection because they can become as large as they want and
18 they can be concerned with their bottom line, when really
19 what the FCC in my opinion, humble opinion, is about is
20 protecting the airwaves and the people and not these larger
21 companies and their interest in profit. And, you know, I
22 think it's great that they're doing well, but their job is
23 content.

24 CHAIRMAN POWELL: I'm going to ask two more
25 questions and then we're going to start with the open mic

1 session.

2 Without public service, specific public service
3 performance standards, how do you as broadcasters know how
4 to meet and exceed community expectations?

5 MS. KWEI: Well, in our situation there may not be
6 particular guidelines, but quite frankly our company sets
7 their own guidelines and what our expectations are on a
8 local level. Radio One expects us to provide a certain
9 amount of public service airtime for local organizations,
10 organizations, events, fundraising and things of that
11 nature.

12 We also, as part of our marketing and promotions
13 department, and I would say this is probably station by
14 station, we reach out to local organizations monthly and
15 annually trying to find opportunities in which we can help
16 them get the word out about their particular event, in some
17 cases partner up with them and make their event even larger
18 than what it might have not been had it not been for Radio
19 One's involvement.

20 So again, just in our isolated situation we're
21 told, quite frankly, what the expectation is. And it's up
22 to me as the general manager to make sure on a day-to-day
23 basis that we're delivering that expectation.

24 CHAIRMAN POWELL: And finally we're asked this
25 question, because I want to take a chance and answer it.

1 "Local ownership has lost control and diversity. We need
2 efforts there to ensure minority ownership and more
3 programming diversity. What could we do?"

4 I wanted to use that question to take an
5 opportunity to talk about the FCC recently launched a
6 diversity task force, or what we call a federal advisory
7 committee, that is focused intensely on the question of
8 minority and female roles in the media and the
9 communications industry at large.

10 It's composed by leading citizens throughout the
11 country who are dedicated to a successful commitment to
12 diversity. They had their first meeting and are actively
13 working on policies and recommendations to the Commission
14 and the government that we can follow consistent with the
15 legal restraints to promote diversity.

16 And I know that Congressman Watt mentioned the
17 importance of that, and I want to invite his participation
18 in that and let you all know that and answer that question.

19 So with that, Madam Secretary, why don't you
20 announce for us the procedures for the open mic and we'll
21 proceed to that section?

22 SECRETARY DORTCH: Thank you, Mr. Chairman.
23 Members of the audience who wish to speak should line up at
24 the nearest lectern. We will alternate lecterns during the
25 session. If you are in the overflow rooms and wish to

1 speak, please come to the meeting chamber and we will
2 accommodate as many as the fire marshall permits. A staff
3 member at each lectern will let you know when it is your
4 turn to speak.

5 In the interest of letting as many people present
6 their views as possible, speakers should limit their remarks
7 to no more than two minutes. The green light will signal
8 for the first one and a half minutes. When the yellow light
9 signals, you will have thirty seconds to sum up your
10 remarks.

11 Please try to observe these minutes. We also ask
12 that you turn off your cell phones. Thank you.

13 CHAIRMAN POWELL: Yes, sir.

14 MR. RASH: Mr. Chairman, my name is Dennis Rash.
15 I am chairman of the North Carolina Bicycle Committee, and
16 if I may add a word of welcome to Charlotte and North
17 Carolina.

18 The North Carolina Bicycle Committee was created
19 by the North Carolina General Assembly to assist local
20 governments in developing policies and standards for
21 planning and maintaining and operating bikeways safely
22 across North Carolina. We're advisory to the Secretary of
23 the Department of Transportation and to the Board of
24 Transportation in furtherance of this policy.

25 North Carolina has the second largest state

1 maintained road system in the United States. We are
2 specifically charged with representing the interests of
3 bicyclists on all matters concerning bicycles and a safer
4 environment for bicycling in North Carolina. And it is that
5 safer environment that I wish to speak to.

6 Here is a case study of localism gone amuck. On
7 September 22 and 23, Clear Channel Communications Raleigh
8 affiliate, G-105, during morning drive time, aired an
9 extended discussion about how much fun it was for the
10 motoring public to run cyclists off the highways.

11 From the E-mails and the listener comments I've
12 received, I understand the G-105 announcers provoked and
13 baited their call-in public to explore ways motorists could
14 arrest cyclists. Several ways suggested was shooting pellet
15 guns, and throwing empty bottles at passing vehicles.
16 One of the announcers opined that he would enjoy driving his
17 bicycle on a pathway.

18 North Carolina law specifically classifies
19 bicycles as vehicles and regulates their lawful use. So the
20 announcer was dead wrong on that. As a matter of common
21 courtesy and safety, he was beyond wrong. He was
22 provocative and callous.

23 And I got an E-mail from a Chapel Hill cyclist
24 about how a pickup several days after that had intentionally
25 crossed the center line and run him off.

1 Here is an example of where the FCC, if it chooses
2 to expand consolidation, must seek additional regulation for
3 the safety of the public.

4 I have an extended statement that I will give the
5 Secretary, but we hope very much that you will take this
6 into consideration in your rulemaking.

7 CHAIRMAN POWELL: Thank you. Just for the record,
8 we did receive complaints about that at the very end of
9 September and our enforcement bureau will be looking into
10 that matter, so thank you for bringing it to our attention.

11 MS. O'DANIEL: My name is MaryLee O'Daniel. I'm
12 here to voice my frustration as a member of a minority that
13 is largely disserved by the television industry. That
14 minority is the blind. I know that we have had the
15 wonderful service of closed-captioning for many years and
16 it's wonderful.

17 There has also been available audio description,
18 but I only know of two places where I can access programming
19 with audio description. One of those is on public
20 television, the television system that can least afford to
21 do so, and the other one is one movie a week on a cable
22 movie station.

23 I'm well aware that there has been a lobby in
24 recent times to require television networks to provide
25 approximately four hours a week of audio described

1 programming for the blind, but we need to have some common
2 sense about that.

3 It would be lots of fun to have my favorite
4 programs, The District and Whoopi audioscribed, but it would
5 take away a lot of the fun of listening to Whoopi if I hear
6 that beep, beep, beep and knew that the severe weather
7 warnings were being scrolled across the screen and I would
8 have no idea what they were.

9 I appreciate talking with you, and I also would
10 like to say that a lot of our stations have done a good job
11 of giving public service announcements and repeating the
12 telephone numbers, but when they tell me on the radio or the
13 television to call 1-800-POWER-ONE when my power is out,
14 which number is the letter P? Is it six or seven? And
15 which number is the letter W? Is it nine or zero?

16 We do need audio description for the important
17 public service announcements and the severe weather
18 warnings. Thank you very much.

19 CHAIRMAN POWELL: Thank you. I would add too
20 that's something we would urge Congress to help us with.
21 The Commission did once have audio description, but was also
22 struck down in the court. So we're looking to Congress to
23 hopefully put that back.

24 Yes, sir.

25 MR. JOHNSON: Mr. Chairman, I also would like to

1 welcome you to Charlotte. I appreciate personally the
2 efforts that the Commission has made to come here to listen
3 to the public about certain statements.

4 My name is Harry Johnson. I am also a bicyclist
5 and I'm going to be a little more succinct than Mr. Rash. I
6 agree with him completely.

7 I'm incredulous, absolutely incredulous, that
8 these two clowns on the morning drive time are still
9 employed by the station. It's unbelievable to me.
10 Promoting bodily harm to the general public live, on the
11 air, is beyond reason.

12 Contrary to what Clear Channel's website said, and
13 you can go on it very clearly and it says what kind of
14 community support they're involving themselves with, it is a
15 concern that Clear Channel appears to be promoting a pattern
16 of community abuse for the sake of rating points.

17 Bigger is not better. Bigger insulates
18 management, station management. Bigger insulates profits.
19 Bigger insulates ownerships from responsiveness and
20 responsibilities to the community to which it purportedly
21 serves. Thank you.

22 MR. NEWMAN: Hello. My name is Gray Newman and I
23 was elected this past November to that most local of
24 offices, to the Mecklenburg Soil and Water Conservation
25 Board. We're all the way at the bottom of the ballot, so

1 just keep on going.

2 I want to address my comments to Mr. Keelor. I
3 think it's wonderful that you all do offer free advertising
4 or free announcements, free airtime for candidates and local
5 candidates. If that was available here in Charlotte, nobody
6 bothered telling us about it.

7 My entire budget for my campaign was \$700, and I
8 was the big spender. I got over 36,000 votes. That's less
9 than two cents a vote. And if something like free web space
10 or free airtime had been available, I think that would have
11 been wonderful.

12 And I would urge the radio stations and the TV
13 stations in our market to talk to Mr. Keelor and get some of
14 his ideas on this. Thank you.

15 MR. SMITH: Mr. Chairman, I'm here on behalf of
16 two fantastic radio stations in the State of South Carolina.
17 My name is William E. Smith. I am the executive director
18 of the Shrine Bowl of the Carolinas. Our job is to raise
19 money for our Shriner's hospitals for children.

20 These two gentlemen and these two radio stations
21 and their personnel have been absolutely magnificent, and
22 this is why I'm here because they do something for the
23 community. Not just for Rock Hill and Fort Mill, South
24 Carolina, but for the two Carolinas.

25 Through their efforts they have worked and

1 generated a radio network for the Shrine Bowl of the
2 Carolinas which raises money for the burn and crippled
3 children's hospital to exceed 60 stations in the two
4 Carolinas; four and a half hours of broadcast time. So I
5 have nothing but wonderful praise for these men and their
6 efforts. Thank you, sir.

7 MR. McCONNELL: Good evening. My name is David
8 McConnell. I drove down here from Asheville, North
9 Carolina. I'm an independent media developer, but I've been
10 working for the past couple of years with the Asheville Area
11 Chamber of Commerce and regional economic developers in
12 western North Carolina.

13 We've been losing manufacturing jobs at a break
14 neck speed. We've done a lot of research to determine that
15 the media can be a pretty major economic driver for our
16 area. Unfortunately what we've discovered is that's there's
17 an extreme lack of media infrastructure. We don't have
18 public access stations. We're finally getting some low
19 power FM licenses.

20 We've been doing lots of interviews with our best
21 and brightest graduates from the area. They're all leaving
22 for larger markets. A lot of this is due to the fact that
23 the majority of our stations, both television and radio,
24 have been brought up by Sinclair, by Clear Channel, by
25 others.

1 They're becoming increasingly automated; they're
2 doing less and less local coverage, and it's a serious
3 concern in our area because we don't have a lot of resources
4 and we're trying to find something to really help the
5 region.

6 So, what do we do? We've talked to people
7 endlessly in lots and lots of sessions, and we've come to a
8 few conclusions, like, how do we increase localism? We have
9 to increase community involvement in the media. We've got
10 to increase real community news coverage, not just the
11 leading and bleeding stuff. We've got to increase resources
12 for aspiring media developers. We have to provide real-
13 world experience for these people.

14 How do we foster local commercial development,
15 which I think is one of the functions of the FCC. We have
16 to create a local media infrastructure and ensure local
17 representation, ensure local control, and guarantee
18 opportunities for local ownership for media entrepreneurs.

19 So specifically what I would like to see the FCC
20 do, there have been a few steps lately that have been really
21 good, I would like to see further expansion of the low-power
22 FM programs so that we could get more than just a hundred
23 watts. We're starting one up now; maybe we get five miles.
24 We're trying to go regional; we're in a small rural
25 community.

1 We really need to see more licenses, we need to
2 see more power. We need to increase the number of LPFM
3 licenses. We need to increase cable franchise requirements
4 so that we can start to really implement some pretty serious
5 community media infrastructures both on-line and television
6 who need to reinforce localism. And we need to not weaken
7 the current ownership rules. Thanks.

8 CHAIRMAN POWELL: Thank you.

9 MS. COLE: Good evening. My name is Marja Cole.
10 I'm the executive director of the American Red Cross in
11 North and South Carolina. In Winston-Salem, the coverage we
12 get from our local broadcasting stations is, as my daughter
13 would say, awesome.

14 We have two TV stations, we have WTV, WTWV-20 and
15 WXII, Channel 12. We have six radio stations that we work
16 with, WSJS, Kiss-94, WBFJ, Joy-FM, the Light, 1340, and
17 WTQR. All these radio and TV stations represent all
18 different audiences, all kinds of music, all kinds of
19 formats and so forth; they all help us do so many amazing
20 things in our community.

21 They respond to eleven special event blood drives
22 and one CPR day that we do every year that enables people to
23 come and learn CPR and first aid at no cost. They also, of
24 course, provide coverage for all the disasters, both
25 nationally and locally that we cover.

1 And soon WXII is going to sponsor a telethon for
2 us to help us raise money for nine chapters in the State of
3 North Carolina, not just ours. And during Hurricane Floyd
4 Channel 12, WXII, helped us raise almost two million dollars
5 for relief for this effort.

6 They also sponsor our Twelve Days of Christmas
7 program and many others drives. Together these broadcasters
8 have collected last year alone 2,079 units of blood which
9 ended up helping more than 6200 people in our community.

10 We've had a partnership with our broadcasting
11 group in Winston-Salem for more than thirty years. Without
12 them we could not do our business. I feel like I'm
13 representing all the other organizations in Winston-Salem
14 because they do this for everybody, and across the state all
15 the broadcasters help the Red Crosses do their work.
16 Without them there would not be the work that we do, and I
17 thank them all.

18 CHAIRMAN POWELL: Yes, sir.

19 MR. BROWN: I'm Sam Brown from Charlotte. I
20 represent the Common Cause of North Carolina. We've got
21 about 2500 members living in North Carolina.

22 Common Cause believes that the dissemination of
23 information, free and fair, is a necessity for democracy to
24 work. So owning media is not just a business, it's a public
25 responsibility, indeed it is a trust. Profit must not be

1 the dictating force for policy in the media.

2 One of the serious mistakes the Federal Government
3 made was during the last couple years giving away TV
4 frequencies that were done under the radar because the media
5 did not inform the public the way it should have. That's an
6 example of what the media can do against the public good.

7 Just as strict government control turns out
8 propaganda and silences dissenting voices, monopoly
9 ownership would have its ill effects in the media.

10 The increased size that was recently granted by
11 the FCC moves the media toward monopolistic ownership and
12 fewer and fewer CEOs making decisions about who gets heard
13 on local stations and who gets silenced, and what issues are
14 ignored or covered.

15 Common Cause is in favor of democracy. We're in
16 favor of things being done that promote the people's
17 interest, and with regard to the FCC as an agency of the
18 people, not a manager for big business to take over greater
19 and greater segments of the media market. We just wanted to
20 express that concern.

21 Incidentally, it has occurred to me that this has
22 the appearance of a PR effort to recover self-respect for
23 the FCC after having ignored the public outcry against the
24 increasing percentage of the media market that can be owned
25 by fewer and fewer owners. Thank you very much.

1 CHAIRMAN POWELL: I'll only say we'll work to
2 prove you otherwise.

3 MS. WALKER: Good evening. I'm Kathy Walker and I
4 have an advertising agency in Greensboro, North Carolina.
5 And I have a great pleasure to say that a lot of my issues
6 have already been covered, but I want to get really get out
7 there and say maybe we should consider a ban on paid
8 political advertising and talk about free, but limited and
9 equal airtime for political candidates and their campaigns.

10 (Applause.)

11 That is desperately needed to serve the American
12 people's interest, and I'd like to quote Walter Cronkite
13 while I'm here.

14 There is no more important challenge facing our
15 democracy than to free our political system from the choke
16 hold of money and special interest. Candidates should not
17 have to put themselves on the auction block to raise the
18 resources needed to communicate in the modern era. Our
19 politics should be driven by ideas, and not money.

20 Broadcasters have become the leading cause of the
21 high cost of modern politics. Broadcasters have been given
22 billions of dollars worth of exclusive licenses, free of
23 charge, to use our scarce public airwaves, but only on the
24 condition that they serve the public interest. The best way
25 for this great medium to discharge its responsibility under

1 the law is by providing free airtime before elections so
2 that without having to raise money with special interests
3 candidates can deliver and citizens receive the information
4 needed for our democracy to flourish.

5 I've worked with the media for thirty years and
6 have owned my own business for twenty of those, and I think
7 today we're at a critical point to stop the progression of
8 media monopoly. A few years ago the rules were relaxed and
9 I've seen many negative changes as a result.

10 We must recognize the power of the media and take
11 a stand to ensure that the news, information and
12 entertainment that we receive isn't controlled by a select
13 few. That's it.

14 MS. DEAN: My name is Blanche Dean and I'm from
15 Durham, North Carolina. I'm here representing my fifty-plus
16 cycling and volunteer team and many other cyclists
17 participating in charity rides throughout North Carolina and
18 the Triangle area. The community of cyclists, and not just
19 the ones I'm representing here tonight and their supporters,
20 object to Clear Channel's continued ploy on inciting the
21 public to violence against cyclists.

22 The media mogul, Clear Channel, has run similar
23 campaigns in Cleveland and Houston. Their recent broadcast
24 on WDCG, also known as G-105 in the Raleigh area, was not
25 the first time, but we're hoping it will be their last.

1 As you heard, on the mornings of September 22nd
2 and 23rd, Clear Channel's employees, Bob and Madison, were
3 using the airwaves to instruct the motoring public to commit
4 a Class E felony by violating North Carolina General Statute
5 14-32, assault with a deadly weapon inflicting serious
6 injury.

7 They were encouraging intentional assaults and
8 harm to cyclists saying cyclists had no right to be on the
9 road, they should be run off the road, and even have things
10 thrown at them. One personality indicated that he carries
11 empty Yoo-hoo bottles in his own car for just that purpose.

12 While I believe that these actions should not be
13 protected under free speech because they meet two criteria;
14 first, inciting the public to violence, and second, the
15 likelihood of success, which has been demonstrated by the
16 increased aggression for cyclists since these abhorrent
17 broadcasts.

18 I'm sure Clear Channel's personalities have been
19 strictly coached on which words not to use that make them
20 fall outside the realm of protection. My own husband and a
21 teammate were forced off the road by a motorist who screamed
22 at them to get on the sidewalk where they belong.

23 Clear Channel is guilty of reprehensible corporate
24 conduct at its very best. The actions of Clear Channel and
25 their on-air personalities should not be tolerated or

1 permitted. Clear Channel needs to be reprimanded and made
2 to cease this type of broadcast or else have their license
3 lifted.

4 Broadcast radio stations are charged with
5 operating for the public good and as a public service. Many
6 cyclists perform a public service by riding in charity rides
7 and raising funds for research to find cures for things like
8 Multiple Sclerosis, diabetes and AIDS.

9 Recently 900 cyclists participated in the MS-150
10 bike tour in New Bern, North Carolina and raised more than
11 \$640,000; another 900 for the M.S. Tour to Tanglewood, and
12 raised more than half a million.

13 These are the people that are being targeted by
14 Clear Channel's personalities and employees. This is a
15 definite public disservice. Shame on them. They should not
16 be allowed to continue. If the FCC can't control this type
17 of activity, perhaps the community must band together and
18 solicit the aid of local law enforcement officials like our
19 Attorney General's Office.

20 AUDIENCE PARTICIPANT: Mr. Chairman and members of
21 the Commission, thank you for coming here and thank you for
22 allowing us to speak. I've heard the stories and I know I'm
23 not going to listen to Clear Channel entertainment anymore,
24 but I want to talk about a different kind of story, and it
25 comes from a chain of network radio stations.

1 In my opinion a licensee shouldn't just perform
2 the minimal public service due under the license. Any
3 licensee should be a public asset and should be easily
4 recognizable by the public as an asset. This network that
5 I'm speaking of, Our Three Sons Broadcasting in Rock Hill,
6 is just that.

7 It's locally owned by people who have lived in
8 that community for twenty years, they have chaired
9 charities, they have -- they're the lay people in the
10 church, they have been the heads of associations.

11 As a former elected official, I can guarantee you
12 it was as accessible or more accessible than any other kind
13 of medium there regardless of who the candidate was and
14 regardless of the cause or what the cause was. And being on
15 the board of some nonprofits, I can speak to the fact that
16 there's no greater ally in getting your word out than what
17 this network is.

18 Rather than chase ratings and rather than do the
19 bare minimum you have to do, what a licensee should do is
20 they ought to pursue the excellence of their community, they
21 ought to care about whether that community is a better place
22 to live, and mainly because it's the place where they live
23 and where they raise their children.

24 Again, I commend them for the job they do and
25 thank you for coming.

1 MR. PRICE: My name is Bill Price. I'm with
2 Country Cable out of Grand, North Carolina, and I'm a
3 satellite TV retailer. I sell Direct TV and Dish network
4 satellite TV systems.

5 And in our market out of Greensboro there's a lot
6 of customers in the fringe areas that do not receive a clear
7 signal off of a local antenna. Therefore they get their
8 signals from the satellite providers.

9 And that license is coming up for renewal in 2004,
10 and we'd like to recommend that you ask Congress to extend
11 that and keep it on permanently so that our customers won't
12 lose their distant network programming, their regular
13 network programming. Thank you.

14 CHAIRMAN POWELL: Thank you.

15 MR. ECHOLS: Mr. Chairman, I'm Doug Echols, the
16 Mayor of Rock Hill, South Carolina. I want to thank you for
17 this opportunity to participate in this hearing tonight.

18 Life in America is really found on our main
19 streets, and where all citizens are engaged in learning and
20 living, where various entities interface to make communities
21 better; it is a process to be enhanced.

22 I'm speaking tonight in support of South Carolina
23 broadcasters, and most particularly in our -- for our two
24 local radio stations, WRHI-AM and WRHM-FM in Rock Hill.
25 It's been previously mentioned, the principles in these two

1 stations live in our community and are very much an integral
2 part of our community and have used their talents to support
3 a lot of community activities.

4 Over the past twenty years the station has offered
5 a thirty-minute public affairs show called Straight Talk
6 from a local restaurant which showcases issues of importance
7 to our city, our county and our community. I've personally
8 appeared on that show and appreciate the forum it has given
9 me to discuss community issues that are important to all of
10 our citizens.

11 In addition they cover city council, county
12 council, delegation meetings and so forth, and many other
13 political events.

14 Rock Hill and York County have numerous community
15 events, festivals, the Jubilee Harvest of the Arts,
16 Summerfest and so on, as many communities do. These radio
17 stations have always been involved in the promotion and
18 development of live broadcast from these events.

19 Also at emergency times these stations step up to
20 provide dependable information as an asset to the community
21 so that our citizens are better informed.

22 The City of Rock Hill, York County and the
23 surrounding area is a better place for having these two
24 stations at work on behalf of our citizens and our
25 community. And I submit to you that that is the case

1 throughout North and South Carolina.

2 I encourage the FCC through all its regulations to
3 facilitate a system of diverse media options which help to
4 make people better informed and Main Street a stronger
5 place. Thank you.

6 MR. JONES: Hello; my name is Russ Jones. I'm the
7 general manager of Carolina Metro Radio Corporation out of
8 Blacksburg, Virginia owned by the Baker family, actually who
9 has a number of stations, but the ones I'm responsible for
10 are regionally here in North and South Carolina.

11 And actually the question I am posing is on behalf
12 of the Hispanic community. We've got a strong outreach to
13 the Hispanic community. Since 1997 we've been developing
14 the stations throughout the Carolinas. Presently I've got
15 five full-time Spanish stations and we're very local. We're
16 all done on a local level.

17 I'm sure that everybody in Charlotte will be
18 familiar not with myself, but with Armory Pulsai (phonetic)
19 who is here. She's in contact with all the local government
20 officials all the time reaching out to the community.

21 But the question that we're constantly asked and
22 she's constantly asked and I'm constantly asked is why are
23 these stations an FCC concern, but why do stations go off
24 the air? I know that's the way they're licensed as daytime
25 stations or low power at night, but it's very hard to reach

1 the community.

2 For example, we're the only station in Charlotte
3 and we've got 10,000 watts of power. Especially when
4 there's an emergency situation, severe weather and other
5 national or local news stories that pertain to the Spanish
6 community. At 5:15 on November 1st our station will be off
7 the air and our Spanish audience will all of a sudden hear a
8 news talk station out of Boston, which does nothing to reach
9 the Hispanic community at all.

10 And on a local level I think you find a lot of
11 your -- especially the minority format stations are going to
12 be not the big 100,000 watt FM stations that run 24 hours a
13 day, but more of the smaller stations either at low wattage
14 or licensed sunrise, sunset.

15 So just the question that I see you need to
16 consider is a way to reach the minorities with those
17 changes. Thank you.

18 REVEREND KING: Chairman Powell, we want to
19 welcome you from the city of Rock Hill and the County of
20 York and the State of South Carolina. On your next time
21 around I want you to know you can come to Rock Hill. We are
22 the All American city inclusive. And by the way, if you
23 don't mind, I'll tell you that I'm praying for you.

24 To you, the Commissioners, and to the panelists,
25 as well as those who are here now, my name is Reverend

1 Ronald A. King. I am the founder and director of the Feed
2 the Hungry Program for North and South Carolina.

3 I represent Christians To Feed the Hungry; this is
4 a grassroots, self-help organization. Our responsibility is
5 basic; we serve our community and we see no problem in that.

6 There is a fine line between North and South Carolina and
7 it doesn't stop at the 90 mile marker. The problems are on
8 both sides of the line and we tend to cooperate. We tend to
9 be inclusive and not exclusive.

10 What I'm saying to you now is that WRHI-AM, WRHM-
11 FM stations have provided a special service to its
12 communities. It has given opportunities to people such as I
13 and others who are in the same position to serve our
14 communities unrestricted. That is inclusive to the
15 Oriental, Hispanic, Islam, Jewish communities, as well as
16 the Afro-American community.

17 I have been at this since November the 12th, 1976.
18 We are well known in what we do. We started WRHI-AM and
19 WRHM-FM stations and from that we've grown to the Charlotte
20 market, Power 98, the PEGs, believe it or not, to President
21 Jimmy Carter. We've been acknowledged by President Bill
22 Clinton and also President George Bush.

23 Our efforts are complete. All we're trying to say
24 is that more stations like WRHI should be allowed to
25 continue in their endeavor. They need to do the job that

1 they do.

2 And one other thing is that we rely on our station
3 for our local city council information and delegation and
4 our up-to-date information. Our local radio stations are
5 well known and we want to say that we thank you for coming.

6 We want you to continue to come and to examine these issues
7 because there are many.

8 And these people who are here now have a complete
9 effort. Those from the bicycles to special interest groups,
10 even to those who own these stations, let them know that we
11 who are on the bottom rung of the ladder need that
12 opportunity to get to you. We thank you.

13 AUDIENCE PARTICIPANT: Good evening, Commissioners
14 and thank you for the opportunity to address the panel
15 tonight. I'm here to talk about radio. I think the radio
16 serves American's communities best when it was part of the
17 community. The keys were local talent, local programming,
18 interactivity with listeners.

19 When DJs and the program directors programmed
20 stations, local bands would get air play, listeners would
21 respond strongly, the buzz would spread, and a hit would be
22 made; songs were competing based on popularity and quality.

23 Contrast that to the current system. We're in a
24 play/listener program nationally, spots in a play/listener
25 program are auctioned off to the highest bidder.

1 And, Commissioner Adelstein, I could E-mail you
2 tons of newspaper reports describing the system of
3 independent promotion. We've moved from a diversity of
4 music to a monotony of music spanned across multiple markets
5 in tune to the lowest common denominator.

6 Whether a song stays in rotation in my market
7 depends on how it tests out on a fifteen-second sound byte
8 on a phone poll in New York or Los Angeles. We have a local
9 audience listening to the radio, but radio stopped listening
10 to its local audiences long ago.

11 We must also mourn the tremendous loss of talent
12 in the industry the last few years. Very quietly and very
13 quickly, most local DJs in smaller markets are fired. DJ's
14 in larger markets were then paid a nominal fee to voice
15 track shows for the empty studios. They have marginalized
16 pretty much the whole industry.

17 Tens of thousands of DJs have lost their job
18 practically within a six month to a year period across the
19 country. It didn't end there. Record station managers,
20 news staff, promotion staff have all been laid off. At the
21 end of the day, the remaining staff puts the station on auto
22 pilot and turns off the lights and the signal is cut by
23 fifty percent. Even the signal's a casualty. The computer
24 system running the station is called profit.

25 All of this was made not possible by deregulation,

1 but made inevitable by deregulation. I urge you to return
2 radio back to the people. Thank you.

3 MS. SCIENSKI: Good evening. My name is Gloria
4 Scienski and I'm the executive director of the Make A Wish
5 Foundation of central and western North Carolina. We
6 basically cover half the state, and I'm here for two reasons
7 tonight.

8 First I'd like to thank Magic 96.1, WWMG and Clear
9 Channel for all they do for our community, both for adults
10 and children, but especially for sick kids in our community.

11 Second I'm here to tell you that from a local
12 perspective, broadcasting and localism is alive and well
13 thanks to Magic and Clear Channel. Our organization has a
14 great working relationship with our local radio station,
15 Magic 96.1.

16 We would like to thank WWMG, Magic 96.1 for
17 helping us to accomplish our mission. They sponsor the Make
18 A Wish Wednesdays for four consecutive weeks during November
19 for two consecutive years, and have raised over \$300,000 to
20 help local sick children. This money paid for more than
21 sixty wishes for children right here in our own community.

22 Additionally I'd like to thank them for opening up
23 their studio and sharing in the power of the Wish.
24 Children, their families, health care providers, volunteers
25 and donors, joined the radio talent to tell Wish stories and

1 raise money to fund additional missions.

2 Each member of the Magic Clear Channel team
3 extended their efforts far beyond anything we at Make A Wish
4 imagined. Magic and Clear Channel is definitely committed
5 to the children in our community and to our community. Not
6 to sound too hokey, but Magic makes magic for our kids.
7 Thank you.

8 MS. PERFEDA: I'm Karen Perfeda (phonetic), vice
9 president of radiothon for Children's Miracle Network. Our
10 organization was founded in 1983 in hopes to raise funds and
11 awareness for 170 of the premiere hospitals treating
12 children in the U.S. and Canada.

13 While our organization is not political, we'd be
14 remiss if we did not share the story of radio's local
15 efforts on behalf of our hospitals.

16 Six years ago we began our radiothon efforts under
17 the leadership of Bob Lynn, a former executive with Capitol
18 Broadcasting. As we began to call on stations across the
19 country, one of the top factors in getting a station's
20 agreement to host a three to four-day event was that all
21 money raised would stay in their local markets.

22 Thanks to underwriting at Forresters, an
23 international financial organization, we were able to offer
24 national support to this program which benefits the
25 stations, local hospitals and the children they treat.

1 In just six years 200 stations have joined our
2 efforts and this year we'll raise \$30 million for their
3 hospitals. Our stations represent every major ownership
4 group as well as many smaller companies, and not one of
5 these stations charges for their time.

6 Mr. Goodmon of Capitol Broadcasting has WRAL which
7 just did their tenth event for us and in four days raised
8 \$900,000 for Duke Children's Hospital. Last year 60 Clear
9 Channel stations participated giving more than 3,000 hours
10 of time and raising \$6.6 million.

11 We found stations eager to be an active part of
12 their community, taking their commitment beyond the airwaves
13 to include a variety of fundraising events and activities
14 within the local Children's Miracle Network hospitals.

15 Thank you for giving us this opportunity to tell
16 our story and also to thank our stations for helping better
17 the lives of children.

18 MR. WALKER: Mr. Chairman, Committee members,
19 thank you for holding this forum and welcome to Charlotte.
20 My name is Bucky Walker. I am the chairman of the board of
21 governors for the Shrine Bowl of the Carolinas. We're an
22 organization representing 22,000 Shriners of the two
23 Carolinas. Our philanthropy raises money to support 22
24 hospitals throughout the U.S., Canada and Mexico. Last year
25 on active role we had 188,000 little heros that we treated.

1 I must quickly elaborate a little bit on who I am
2 and what I represent to give you a backdrop as to why WRHI
3 is so very important and critical to us.

4 For the operating year '03 we have a \$605 million
5 operating budget. Extract 25 million for research and
6 development, the balance -- I'm sorry. 92 percent of that
7 balance goes to the daily operation of the hospitals. We
8 only have eight percent that goes into administrative ends.

9 We accept no third-party monies, no government, no
10 insurance, and certainly no family pays. Well, then, how do
11 we get all this money? We're talking about \$1,600,000 a
12 day. Well, we get it from people like Alan Elliott and
13 Manny Kimbell.

14 Let me give you an example. We've been down there
15 in Rock Hill now for three years, and quickly they have
16 probably raised for us in excess of \$60,000. They've given
17 freely of their time. We must spend at least from July
18 through December roughly twenty hours on the air, and to
19 boot that, they -- let me quickly summarize and say that
20 sometimes I think they're just like the Shriner
21 organization. They give so much I believe they're a
22 nonprofit organization, not solely focused on the money that
23 I've heard so much here tonight.

24 If you want your records on the air, call these
25 men over here. They'll get it.

1 MS. MERRITT: I'll do it.

2 MR. WALKER: Thank you, Mr. Chairman.

3 AUDIENCE PARTICIPANT: Good evening, Mr. Chairman
4 and Commissioners and panelists. I'm Paige Throop
5 (phonetic), and I'm the director for the Children's Miracle
6 Network locally here at Children's Hospital at Carolina's
7 Medical Center. And I want to talk about one issue that's
8 been brought out, Chairman Powell, in your opening remarks
9 were we want to find out how these stations and broadcasters
10 are responsive to the needs of the community.

11 And I just want to say it goes beyond the legal
12 obligation, I want to share with you some examples that it's
13 truly a personal commitment to our community.

14 Lite 102.9 is a Clear Channel station here in
15 Charlotte, and for the past three years they have broken
16 their format and given us four days of airtime to tell our
17 story and the story of tens of thousands of children served
18 in our community at the Children's Hospital at Carolina's
19 Medical Center.

20 And we're so proud to say a hundred percent of
21 that money stays right here, and also to let you all know,
22 they have raised \$900,000 in the last three years and are
23 looking forward to a great fourth year in December.

24 But these efforts are just not for those four
25 days. The entire station is behind the children of

1 Charlotte and our area, and we truly serve children from
2 across the region. We serve children -- we had 6700
3 children served at our hospital on an in-patient basis last
4 year, about 100,000 on an out-patient basis, and 74 out of
5 100 North Carolina counties children were served, and 33 out
6 of 40 South Carolina stations.

7 And truly the station really embraces this effort
8 to help children that are babies who weigh less than a pound
9 to children up to 18 years old.

10 Also I just want to say that the hosts, Tony and
11 Jen, they have shared throughout the year the stories of
12 these children and really it's a personal commitment. And
13 our localism is not just on the radio, but we have great
14 partners with WCMC, which is NBC-6 and a few other stations
15 here in Charlotte.

16 They've been our wonderful partner for the last
17 six years, and their commitment is just not for that one day
18 for our celebration broadcast. They support us with PSAs,
19 covering grassroots efforts events throughout the year.

20 So our \$2.2 million we raise, we raise one dollar
21 at a time. We couldn't do it without the great work of
22 those two people that I mentioned, and when I look around
23 this room I see great people at WSOC-FM and many other radio
24 stations that have helped us with PSAs and community service
25 efforts throughout the year and we hope it will continue.

1 Thank you so much.

2 MR. BELL: I'm Frank Bell; I'm the director of the
3 YMCA in Rock Hill, South Carolina. And I'd like for you to
4 know that I consider local ownership of radio stations
5 crucial, and in Rock Hill, South Carolina we have that.

6 We have two wonderful owners that care about the
7 community, Alan Miller, one of the owners. I go to church
8 with Alan. We've been on several committees together in the
9 community. Our annual Come See Me Festivals, I help Alan
10 with high school football, and we're one of the few stations
11 around that still cover high school football on Friday
12 nights.

13 We do an Easter egg hunt together each year with
14 hiding 75,000 Easter eggs for 5 to 10,000 kids, and believe
15 me, I wouldn't do it without Alan's encouragement. It's not
16 exactly a fun day. We also have Manny Kimbell; Manny's on
17 the YMCA's board of directors and he puts in countless time
18 at the Y. He's chaired our campaign, capital campaign,
19 that's just raised \$7 million to help build two new YMCA's,
20 and we consider Manny and Alan an important part of our
21 community.

22 In addition to the local news, and they do a great
23 job with that, the emergencies have to be mentioned. They
24 don't happen often, but when they do, the radio, the local
25 radio is the only source for gathering news.

1 At the YMCA we have a child care program with more
2 than 400 kids in the program, and in the South when you have
3 a snow or an ice storm it's often in the middle of the night
4 and you don't know if school's on or off, whether the kids
5 should go to school, whether the Y is open. They're the
6 guys that I call and I could call them at home if I need to
7 to make sure that local news is gathered during this crisis
8 for many families when they're trying to decide what to do
9 with their children.

10 In addition to that, when Hurricane Hugo came
11 through a few years back, and that was a big deal, all TV
12 stations went out and a lot of radio stations went out and
13 they managed to pull themselves together. And a week or so
14 after the storm had hit, when people were still needing a
15 hot shower, the YMCA called and they knew because of the
16 local radios. And after a week or so, I'm sure that's more
17 than an emergency.

18 In addition, I have to mention, a lot of times
19 local news can be a more important gatherer of national
20 news, and we also had an opportunity to do that. We had a
21 bus stolen that ended up in Honduras, and the local radio
22 station made sure that the world found out about it. Paul
23 Harvey picked up on it, the BBC picked up on it, all because
24 the local radio, they did the story.

25 And yes, we did get it back a year and two days

1 later on a banana boat to Fort Lauderdale, Florida straight
2 from Honduras.

3 MS. COWAN: I'm Lois Cowan and I'm co-owner of
4 some bicycle stores in Cleveland, Ohio and I'll try not to
5 repeat what's been said already. The anti-cyclist drive
6 time broadcast started on June 30th in Cleveland and it
7 continued for six days. You've heard about the Raleigh
8 ones.

9 On September 2nd, KLOL in Houston rebroadcast a
10 program that's especially disturbing because it was three
11 days after a horrendous accident involving twenty bicycles
12 and a truck that left two Houston riders dead. Houston is
13 also extremely difficult for a cyclist. There've been 13
14 people killed while riding bicycles in Houston in the last
15 year.

16 During the broadcast, Clear Channel employees and
17 callers encouraged motorists to do things like speed past
18 the bicycles and slam your brakes on. One of the DJs
19 actually said they're all wearing helmets, so they'll live;
20 throw things such as bottles and cans at cyclists; have your
21 passenger open the car door at the rider, have the passenger
22 hit them with a whiffle ball bat; shoot at the tires with
23 pellet guns; swerve towards the cycles to scare them and
24 force them off the road; or bump the back wheel with the
25 bumper of your car.

1 It's my understanding that the FCC will deny
2 applications for license renewal if the licensee exhibits
3 poor character. Since approximately 45,000 cyclists a year
4 are involved in accidents with motor vehicles, encouraging,
5 provoking and inciting motorists to attack cyclists shows
6 extremely poor character.

7 Clear Channel refuses to release tapes or
8 transcripts of the programs. Since they chose to pay
9 \$10,000 towards cycling advocacy in Cleveland, broadcast
10 apologies, and run hundreds of public service announcements,
11 a reasonable and prudent person would assume that they feel
12 they have some liability or license exposure.

13 We want Clear Channel to stop promoting violence
14 and we want Clear Channel to undo the damage they've done.
15 And I have part of some of the broadcast where they are
16 personally attacking me, and I was the person who asked that
17 question, and I just wanted to hear the response, and they
18 also ridicule the FCC, so you might want to listen to those
19 tapes.

20 CHAIRMAN POWELL: Let me make an announcement and
21 then make a proposal. I would like to extend the open mike
22 time a little longer. It was our plan to try to go to about
23 7:50 or 7:50, 7:55, take a very short five minute break,
24 start up again at 8, and we'll just shave a little bit off
25 on the card questions at the end of the second panel if

1 that's acceptable to everyone.

2 MR. WATERS: Good evening. My name is Steven
3 Waters and I've travelled several hours to be here to
4 represent the League of American Bicyclists and its 300,000
5 affiliated members across the country.

6 As you've heard, Clear Channel Communication's
7 radio stations in three cities recently broadcast some talk
8 shows with the hosts telling the listeners encouraging
9 violence against bicyclists. This also occurred on Clear
10 Channel's station in San Jose, California in 2001, on WDCG,
11 G-105, what DG -- what G-105 basically did was advocate what
12 amounts to assault with a deadly weapon or felony assault
13 against bicyclists.

14 This reckless promotion of violence against
15 bicyclists is reprehensible and shows that Clear Channel
16 stations are not operating in the public interest.

17 Indeed, when one of the DJs in Cleveland was asked
18 by The Cleveland Plain Dealer newspaper whether his show
19 helped the public, he said, quite frankly, I'm not here to
20 serve the interest of the community; I'm serving my interest
21 by being here. End quote.

22 The fact that Clear Channel has promoted violence
23 against bicyclists on four separate radio stations
24 demonstrates a pattern of behavior that clearly warrants FCC
25 scrutiny.

1 As the broadcast promoted criminal behavior and
2 the causing physical harm to bicyclists, this matter goes
3 beyond free speech issues to the heart of whether or not it
4 is in the public interest to allow stations owned by this
5 company to continue broadcasting.

6 The League of American Bicyclists urges the FCC to
7 heed its own mandate and follow the lead of Commissioner
8 Copps in ensuring that licenses are not renewed without
9 examining how stations are serving their local communities.

10 And thank you very much for this opportunity to speak for
11 input.

12 MR. HAND: Good evening. I'm David Hand, I live
13 in Raleigh, North Carolina. I'd like to speak to a couple
14 of points about the WDCG incident. The damage that's been
15 done in our community extends beyond cyclists.

16 What they've advocated that commuters do is a
17 felony; people acting on their advice are putting themselves
18 in jeopardy of being sent to prison. They know that road
19 rage is a problem in our area. They live in our area; they
20 know that that's a problem that local government's trying to
21 address.

22 Instead of doing their part to address this
23 problem, they're seeking to profit from it. It's really
24 disgusting abuse of the public trust and the right of the
25 privilege of broadcasting on the airwaves.

1 Station management contends that after several
2 days of reflection on this issue, after we had spoken with
3 their advertisers and had some of their advertisers pull the
4 ads, it suddenly occurred to them that inciting violence and
5 killing innocent Americans is not humorous nor entertaining.

6 That was their initial response throughout, that this was
7 humor and entertainment.

8 I would like to ask that the FCC let us know what
9 expectations they have in exchange for access to the public
10 airwaves beyond evaluating the license when it comes up for
11 renewal. These people use the public airwaves every day,
12 they need to be conscious of their commitment to the public
13 good every day and they need to be held accountable for
14 that. Thank you.

15 MR. HAYES: Mr. Chairman and members of the
16 Commission, my name is Wes Hayes. I serve with the South
17 Carolina Senate from York County and Rock Hill right across
18 the border. And seeing the challenges we face at the state
19 level, I'm kind of enjoying seeing the challenges you face
20 at the federal level.

21 I don't have a lot to add to your problems
22 tonight. I just wanted to first of all commend you for
23 being here. I think -- I can't think of anything better
24 that you can do than to go out throughout the country and
25 find out the opinions of people on various issues, and I

1 commend you for that.

2 I want to just say a word for two stations that
3 have already been mentioned many times, WRHI and WRHM down
4 in Rock Hill. They are truly the voice of our community,
5 and I don't say that lightly. I've never seen anything like
6 the coverage they give to the meetings and local events, to
7 emergency coverage and to the political campaigns, to local
8 sports. They really are the voice and certainly I think
9 it's something that should be applauded.

10 The only comment that I can say negative about the
11 station is when you get very far from Rock Hill you can't
12 pick them up, so they need a little bit more power, so if
13 you can see granting that to them. So I just wanted to
14 commend them and thank you for being here.

15 T.J.: My name is T.J. and I'm with the Ace and
16 T.J. show on WNKS here in Charlotte, part of the Infinity
17 Broadcasting Corporation of Charlotte. And you'll have to
18 forgive me if I sound a little bit exhausted; we just got
19 back from taking our fourth 727 load of children with
20 terminal illnesses to Disneyworld for an all expenses paid,
21 once in a lifetime trip.

22 Over the five and a half years that my partner and
23 I have been in Charlotte we've raised hundreds of thousands
24 of dollars for charities from -- everything from the Red
25 Cross to hurricane relief, to prom dresses for girls who

1 couldn't afford them locally, to the family of an officer
2 that was killed in the line of duty.

3 So you local artists will have to forgive me if we
4 haven't had the time to take on the responsibility of
5 launching your music career.

6 (Appause.)

7 Ms. Merritt, you seem to contradict yourself a
8 little bit when you say that you don't want the government
9 to be involved with radio, yet you're asking an ever-
10 growing, ever-expanding federal government to mandate the
11 play of your records on radio stations.

12 MS. MERRITT: I certainly am not indicating that.

13 T.J.: And you say that the radio stations
14 shouldn't be worried about their bottom line when you openly
15 admit that that's what you're trying to reach is your bottom
16 line.

17 MS. MERRITT: I'm not -- if you want music, you're
18 going to have to find a way, we're going to have to find a
19 way to cooperate because we both need to stay in business.
20 But, you know, I certainly don't live by a pool. I struggle
21 to make ends meet and I have a lot of respect for that. So
22 I'm not here to promote my career. I'm here to give North
23 Carolina musicians a voice so that they can keep
24 contributing just as you have.

25 (Appause.)

1 T.J.: Do her comments count in my two minutes?
2 Let me say this, I know this will be indecent language to a
3 lot of people in here, but ours is a society built on
4 capitalism. And in order to make a profit, you have to
5 abide by the rules of capitalism. And we can service the
6 community and still make a profit to keep these radio
7 stations and TV stations on the air. And tomorrow morning
8 your newspaper will show up with whatever the heck the
9 people want to put in it in there. Thank you very much.

10 MS. GARNER: Chairman Powell, distinguished
11 Commissioners, members of the panel, Ladies and Gentlemen,
12 my name is Elsie Garner. I'm the president and CEO of WTVI,
13 Charlotte's own public television station.

14 In the debate over localism and broadcasting, I
15 would request that the FCC give consideration to that last
16 bastion of locally controlled, free over-the-air, public
17 television and radio stations.

18 The FCC had the foresight to reserve channels for
19 nonprofit, educational use many years ago. I urge you today
20 to continue to reserve for the future a chair at the table
21 for public use, because without some care, this local
22 resource could disappear in digital transition.

23 I request you to establish rules to guarantee
24 cable and satellite carriage for the digital age.
25 Otherwise, public television will be faced with operating

1 costs for two stations at once with the exposure of only one
2 station. And in the digital world, satellite television
3 should not be exempt from the kinds of requirements that
4 apply to cable when it comes to digital signals for the
5 protection of local stations such as WTVI.

6 WTVI is owned and operated by a local broadcasting
7 authority. 83 percent of our budget comes directly from the
8 community we serve. That's local government and local
9 business, local foundations, and yes, local viewers like
10 these people behind me. This means we have to be responsive
11 to local issues and local preferences.

12 WTVI broadcasts approximately twice the PBS
13 national average of locally produced programs such as the
14 election debates for city council and the school board, and
15 our Ready to Learn Service as has been cited twice by the
16 Department of Education as one of the country's five best
17 outreach services.

18 Overwhelmingly I hear from our viewers that they
19 consider WTVI to be an essential community resource in the
20 heart of the Carolinas. Thank you for the opportunity to
21 come before you tonight and thank you for coming to
22 Charlotte.

23 AUDIENCE PARTICIPANT: Chairman Powell, welcome to
24 Charlotte; we really appreciate you being here.
25 Commissioner Copps and Adelstein and Mr. Goodmon, I'm a

1 couch potato, and I've been forced to watch all this stuff
2 on television the last five years.

3 But I think you three gentlemen should be given
4 the Congressional Medal of Honor for patriotism for
5 defending our democracy, because I see democracy under
6 attack in many different forms. But basically there's a
7 confluence between capitalism and our society and capitalism
8 is winning.

9 There's a great book just coming out by William
10 Grieder called The Soul of Capitalism in which he states
11 clearly why there is no soul in capitalism, and what we need
12 to do to change things before we lose what we have in
13 America. But what you gentlemen have before you is the
14 chance to help really improve our country and our democracy,
15 things that have been stated by all these people. And I'm
16 so glad to be here in the start in Charlotte, and I feel
17 very honored you're here helping us.

18 I want to offer one example. We had a great
19 example by Ms. Merritt about what happens to people when
20 they let the different industries consolidate to such a
21 great degree that people are squeezed out and our values are
22 squeezed out with it.

23 My example, and it comes from my heart, is I have
24 a favorite candidate in the democratic election coming up,
25 and I've been watching C-Span for the last almost year, I

1 guess it is, and I've seen them perform in Iowa over and
2 over and over again, and I know these people are doing well.

3 My candidate came on CNN, the first chance they
4 had for mass media, communication to the world, and he got
5 of all the candidates -- everyone got at least 55 percent
6 more time than he got. One of them got 174 percent more
7 time than he got. His name is Senator Dennis --
8 Representative Dennis Kucinich from Ohio.

9 The polls that they tell us about are that he has
10 two percent of the population are for him. They don't poll
11 in Iowa and they don't tell you that.

12 MS. HARMAN: Thank you for allowing me to be here
13 tonight to share our story. My name is Rita Harman. I'm
14 with the American Cancer Society. The American Cancer
15 Society is a national nonprofit organization, and our goal
16 is to eliminate cancer. We also do research, education,
17 service and advocacy in the community.

18 We've had an opportunity to partner with several
19 radio stations and television stations locally. WSOC, WGIB,
20 WBAV, NPR, WFAE and several other stations we've had an
21 opportunity to partner with over the last few years.

22 They have given us an opportunity to share our
23 message, to create awareness about cancer and cancer
24 prevention in the community, and we certainly appreciate
25 that. We could not have done that without them.

1 The American Cancer Society does not have a media
2 budget, so we appreciate the opportunity to go on their
3 stations, to take survivors and talk about their issues and
4 what the American Cancer Society can do for them and for
5 those we hope will never be diagnosed with cancer.

6 We also appreciate the opportunity to partner with
7 stations like the Link, we partner with WBTV. They have
8 given us an opportunity to participate in -- let me back up
9 and say we have given them an opportunity to participate in
10 a program we call Relay for Life.

11 In partnering with them we've been able to raise
12 over \$500,000 for our cancer research. And our hope is that
13 in the future we will be able to continue to partner with
14 organizations like WBAV and like WBTV in order to create
15 additional awareness about cancer and cancer prevention. I
16 thank you all for this opportunity to speak tonight.

17 MR. DAY: Chairman Powell and Commissioners and
18 panelists, my name is Steve Day and I was one of the
19 announcers from Los Angeles who provided North Carolina
20 stations with music and announcers back in 1987 when the
21 Fairness Doctrine was eliminated and the veto could not be
22 overturned. That displaced some 1500 to 2500 local
23 announcers in small and medium markets, and that continues
24 today.

25 I have quit my LMA appointment job at a station in

1 California because the owners were telling me to take on the
2 responsibility to offer local programming to two other
3 cities outside my city. This happens every day in small and
4 medium markets. I have travelled 2500 miles from California
5 in my car to tell you today that this is happening in over
6 10,000 radio stations.

7 Does it concern the FCC at all that 75 to 80
8 percent of small and medium sized stations do not have an
9 individual or human being at that station from 8:00 P. M.
10 until 5 A. M. in the morning? Not all stations do this.

11 Would it concern the FCC at all to know that that
12 percentage of stations do not have an attendant from Friday
13 at 8 P.M. to Monday morning when at 5 A. M. when the local
14 crew comes in?

15 Ten billion dollars is invested in one diversified
16 company alone, and multi-millions are invested by those same
17 banks that invest in Arbitron, their rating service.

18 I'll be heading to D.C. tomorrow and I'll be
19 talking with representatives to change the legislation so
20 that you can articulate that said legislation of the
21 political party that is in control. In August I met with
22 Representative Robin Hayes, one of his assistants. I told
23 him about this and he seemed very, very concerned.

24 I'll be talking with someone, an advisor, not the
25 National Security Advisor herself, but an aid to her to

1 discuss would this be at all important to those involved in
2 terrorism -- counter-terrorism to know that this country is
3 left alone at night until 5 A.M. in the mornings and on the
4 weekends.

5 I'll be asking representatives in Congress to help
6 you find these people, imprison them if necessary, and get
7 to their pocketbooks.

8 MR. CUNNINGHAM: Hello. My name is Darrell
9 Cunningham and I represent Mothers of Murdered Offspring
10 MOMO is a Charlotte-based 501C3 organization dedicated to
11 the reduction of violence in our community. MOMO has a good
12 working relationship with our local radio and TV stations,
13 WSOC, WCNC, WCCB, WBTV, News 14 Carolina, WFAE, WBT radio,
14 WBAB, WPEG, WCHH, just to name a few.

15 We would like to thank the stations previously
16 mentioned for helping our organization throughout its
17 history. For example, the promotion of our nine annual
18 nonviolence weekends, coverage of our community candlelight
19 memorial services, coverage of our balloon release and
20 remembrance, the celebration of our over ten years of
21 service, and their continued dedication to keep unsolved
22 cases in the public eye and help seek justice.

23 I recognize that there's been a great deal of
24 attention paid to broadcast localism at the FCC over the
25 last several weeks. I'm here for two reasons.

1 First I would like to say thank you to the
2 previous stations mentioned, and I would like to say as a
3 North Carolinian I'm here to tell you from a local
4 perspective broadcast localism is alive and well in the
5 Carolinas. Thank you.

6 MR. FORCELLO: Mr. Chairman, my name is Bob
7 Forcello (phonetic). I'm from the North Carolina Center for
8 Missing Persons; a letter will follow from the Secretary of
9 Crime Control and Public Safety. I'm the Amber Alert
10 project officer here in North Carolina. I'm here to support
11 local broadcasting.

12 If it were not for the local broadcasters in North
13 Carolina's Association of Broadcasters there would be no
14 Amber Alert. Since the bill was signed into law in North
15 Carolina on June 12th, we have had two Amber Alerts. It's
16 not business, I believe, that prompts the broadcasters to
17 get involved. I think it's community spirit.

18 The North Carolina Association of Broadcasters has
19 been instrumental in developing the Amber Alert program and
20 keeping it alive. Again, a letter will follow from the
21 Secretary of Crime Control and Public Safety.

22 MS. PEVIA: Mr. Chairman, my name is Wanda Pevia.
23 (phonetic). I'm here to tell you a little personal story.
24 My daughter was abducted in June of 1999. She was returned
25 home this past March 2003. If it hadn't been for the local

1 news media, the man who abducted my daughter, he would never
2 have been apprehended.

3 I want to thank the local news media and the local
4 radio stations for their help and support in apprehending
5 him. Thank you.

6 AUDIENCE PARTICIPANT: How's everybody doing?
7 Look, my problem's not as big as some of the problems
8 addressed here, but obviously local artists being played on
9 the radio is a big issue because we have a panelist that is
10 a representative of that.

11 So in turn I have a -- I'm part of a company. My
12 name is Gus. My professional pseudonym is G-U-\$. I'm from
13 Charlotte and basically I've been in music my whole life.
14 So I'm one of the best, but I haven't been respected as
15 that. I don't know why, but I know I'm part of this record
16 label named Policy Entertainment Group LLC, and we've made
17 many efforts, especially with stations like 92.7 about
18 getting play.

19 We have BDS encoding and MP-3 format and
20 everything technically that needed to be done. We're street
21 certified because that's all I know. And forgive my rugged
22 exterior, but that's where I'm coming from with this.

23 So basically I was just pulling off what people
24 have been talking about today, they've helped out local
25 artists as much as they can. I've only heard of one

1 referral to a local artist, which is, like, ridiculous
2 because we have, like, a million local artists that haven't
3 been heard on the radio and turning out, like I say, to the
4 community.

5 And to the panelists, I appreciate your support
6 and your inquiry about this topic right here because it is
7 important. I just want to stress that importance. I'm
8 going to keep it short. Thanks.

9 MR. BOW: Mr. Chairman, my name is Wally Bow and
10 I'm a journalist living in Asheville, North Carolina. I
11 moved to Asheville in 1983 to become the director of the
12 news bureau at the University of North Carolina there. I'd
13 like to describe the changes in local broadcast journalism
14 I've witnessed over the last twenty years.

15 Over the first two or three years we could call a
16 major press conference for our major news we had, such as
17 hiring a new chancellor or a million dollar grant, and we
18 would have three or four radio journalists show up as well
19 as three TV journalists, one from our local ABC affiliate
20 and one each from Spartanburg, the CBS affiliate, and
21 Greenville, the NBC affiliate, both of which had bureaus in
22 Asheville at that time, and of course we had local print
23 done on us as well.

24 However, by 1990 this picture had changed
25 radically as the locally owned radio stations were bought up

1 by bigger media companies and they began dismantling the
2 local news operations. By 1990 only one commercial radio
3 station in western North Carolina had a full-time field
4 reporter and studio news staff sufficient to produce a daily
5 local news program.

6 I should add that the 24 county region of western
7 North Carolina is roughly the size of the State of Vermont.

8 Today that radio station, after being purchased by Clear
9 Channel three years ago, no longer has a field reporter.
10 And instead of producing twenty minutes of local news with
11 hourly updates, the reduced news staff now only produces
12 nine minutes a day. None of that news reporting is done out
13 in the field or in the community and is regularly from the
14 Associated Press.

15 The Greenville-Spartenburg TV stations after
16 having been purchased by large broadcast chains have closed
17 their Asheville bureaus leaving us only with our local ABC
18 affiliate. Today a major news conference will probably get
19 zero broadcast journalists.

20 Clearly the growing concentration of media
21 ownership has greatly reduced the amount of local broadcast
22 news media in the mountain region.

23 To add insult to injury, several years ago our
24 local ABC affiliate was purchased by Sinclair Broadcasting
25 which soon began featuring editorials by a fellow named Mark

1 Himan from an undisclosed location identified only as news
2 central.

3 What was even more puzzling to viewers in the
4 mountains was that every four to fifth editorial blasted the
5 liberal legislature not in North Carolina, but in Maryland.

6 Why are viewers in western North Carolina hearing editorial
7 commentaries about the Maryland Legislature? It turns out
8 that Sinclair is based in Baltimore.

9 Clearly Sinclair is using its local affiliates not
10 to produce or comment on the local news, but to promote
11 their editorial viewpoints and issues of little interest to
12 the citizens of western North Carolina.

13 Please put the brakes on media ownership with
14 further consolidation. Please support issues like the Mayor
15 of Charlotte mentioned allowing local communities to enforce
16 their cable franchise agreements, to have more public access
17 TV.

18 I do want to thank you for the low power FM radio
19 initiative. Thanks.

20 MS. ELWELL: My name is Beverly Elwell and I am a
21 hard of hearing consumer. If localism means responsiveness
22 by a broadcaster, cable operator, satellite distributors,
23 and other multi-channel video programming distributors to
24 its community, then we need to understand that what's
25 already in place by the FCC through the Telecommunications

1 Act of 1996, and that is about closed captioning and using
2 closed captioning correctly for deaf and hard of hearing
3 consumers.

4 But I want to especially address why it's so
5 important during emergencies and disaster situations. As
6 you see on this television we have here, and you've got a
7 monitor over there, but this is realtime captioning.
8 Everything is being captioned, everything that's being said
9 is being captioned. And that's great when it's got a
10 certain line that is being scrolled and used for closed
11 captioning.

12 When local networks use scrolling or the scripting
13 process, then sometimes they're using the same line so it
14 covers up the closed captioning which is not supposed to
15 happen.

16 So what I would like to see as would other 600,000
17 deaf and hard of hearing individuals in the State of North
18 Carolina is that closed captioning be used appropriately,
19 and not have the local networks or any network say well, we
20 can't do that because of the bottom dollar that it requires.

21 It's already the law; rules were already provided
22 for it. We just need to learn and enforce the appropriate
23 use of closed captioning. Thank you.

24 MR. CASTRO: Good evening and welcome to
25 Charlotte. My name is Hermonie Castro (phonetic); I'm the

1 chair of the Hispanic Political Coalition of Mecklenburg
2 County. And as a concerned citizen of Charlotte and having
3 lived in this community for over thirty years, I would like
4 to bring some points to the attention of the Commission.

5 First of all, during the time I have lived in this
6 community, I have seen the disappearance of locally owned
7 media to the point that this community in the television
8 area has only one locally owned channel. With the ownership
9 of the media changing from local to a few national and
10 global companies, there has been a continuing separation of
11 local coverage and community involvement.

12 There are some exceptions as in WPEG, Power 98, a
13 radio station that has partnered with the Latino community
14 in a campaign to register voters on a daily basis. Over the
15 last five years we have registered around 25,000 voters,
16 and have through their community focus programs have been
17 able to educate the community of the civic duties of the
18 succession of the right to vote, as well as explaining how
19 the municipal county and state and government work and how
20 to contact their elected official. They have also sponsored
21 the Latin-American Festival.

22 Another bright spot for us has been the Hispanic
23 radio station, 1030 AM. This station has excelled in the
24 involvement and service to the Latino community in all the
25 areas that concern us.

1 To summarize, we would like to see more community
2 coverage and involvement of the local media and are opposed
3 to the consolidation of the ownership of the media as has
4 recently happened with the Spanish speaking TV and radio
5 network, and is being sponsored by the FCC.

6 This consolidation will only result in the
7 diminishing of balance and diverse opinions that the
8 American people deserve. Thank you.

9 MR. BRAWLEY: Mr. Chairman, thank you for
10 extending the time for public comment. My name is Bill
11 Brawley and I'm a former elected and appointed official here
12 locally, but I'm speaking as a private citizen.

13 Recently I've been aware of a commercial campaign
14 that's touted how good a major station owner is in the
15 Charlotte area. I haven't heard anything tonight to say the
16 local stations couldn't be just as user friendly.

17 I have 15 FM stations programmed with the buttons
18 on my car. I'm guilty of channel surfing. When commercials
19 come on, I look for music and a lot of them belong to that
20 major system operator. It is my perception that all of
21 their stations run commercials at the same time. My three
22 teenagers have made the same comment to me.

23 We expect corporations to use their financial
24 integration to affect their bottom line. It's the American
25 way; it's the way we do things in a competitive society.

1 But broadcasting is not as competitive because there's not
2 free entry. There is limited space on the dial and you have
3 to allocate it. Economists call this the commons problem.

4 It relates to the common grazing areas in the
5 English villages that were often over grazed and in poor
6 shape. The reason being it is in the individual self-
7 interest in maximizing its own benefit of the common
8 resource. We've seen it tonight. How many people ran past
9 the red light and burned up the time that others of us would
10 not have had had you not extended the time tonight. We
11 can't expect corporations to not act like the people that
12 are in them.

13 We must restrict the influence of any one group or
14 any individual. So I ask you to restrict the ownership
15 rules further. Thank you.

16 MR. HONEYCUTT: Hi, I'm Rick Honeycutt. I'm a
17 satellite retailer, and the reason why I'm here is the local
18 broadcasters have been slow in making high definition
19 television service available to the satellite TV retailer.

20 My customers tell me that the Charlotte broadcast
21 station HDTV is not currently available to everyone in the
22 Charlotte TV market. For instance, many rural households
23 located within Ashe, Watauga, Caudwell and Burke Counties
24 cannot receive the broadcast high definition setting.

25 I have a two-part question. As the expert agent

1 on the digital transition, would you support the creation of
2 a task force in determining whether rural households
3 currently receive the digital signal or their local networks
4 and independent stations?

5 And upon determination that some households are
6 not able to receive this signal, would you support allowing
7 cable and satellite operators to provide distant HDTV
8 signals in the same way as they provide distant analog
9 service? Thank you.

10 CHAIRMAN POWELL: We'll try to get someone to help
11 answer your question.

12 MS. FOX: Hi. I'm Susan Fox; I'm from Charlotte.
13 And as so many other people have said and Ms. Merritt too,
14 talking about the huge corporations that are eating up all
15 the media in local areas and how destructive this is because
16 all they care about is their bottom line. And that's fine,
17 but the public airwaves are a privilege and so therefore
18 it's a little bit different.

19 The FCC has a responsibility of making sure they
20 use that responsibly and not just take over the whole thing.

21 The deregulation, I know, started in the eighties, but it's
22 just gotten worse and worse and worse, and now it's coming
23 to the part that if it's allowed to continue, then we're all
24 going to lose, and please don't let that happen. Thank you.

25 MR. DELILY: Hello everyone. I am Jake DeLily

1 (phonetic), a COO of an independent music outlet for the
2 Charlotte, North Carolina area. I just want to start off by
3 saying my father used to have a little saying when he said a
4 lie will travel all around the world, while the truth sits
5 at home putting its boots on.

6 And what you're hearing right now is a lie and I'm
7 going to say it in front of these people and the
8 representatives from the radio stations because I've been
9 here my whole life. I'm from Charlotte, North Carolina.
10 We've been hearing from people who are not affiliated with
11 me who were involved in the same struggle for years before I
12 even got -- I'm a graduate of North Carolina Central
13 University and I was in school during this time when other
14 people were trying to do what I'm trying to do now, and the
15 result is always the same.

16 I can call examples like Sunshine Edison, Anthony
17 Hamilton, Jealousy, and Horace Brown who are from Charlotte,
18 North Carolina who had to leave Charlotte to go to
19 California or New York or New Jersey to get their records
20 played. And that's a fact.

21 I can also tell you that's a fact that if you are
22 in the club or somewhere on the radio station, your music is
23 not going to get played unless you're going to pay somebody,
24 and that's a fact. And people may dispute that, but I can
25 give you facts and examples and people who can testify and

1 witness to these truths.

2 So I'm not here to come and try to tell you about
3 my life because I don't want you to know where I'm from.
4 I'm here on the strength of the local artists. And I also
5 want to take a leadership step and say that along with
6 everybody else in here, that their fight is my fight because
7 we both want the goal of what's right.

8 So to Ms. Kwei and to Mrs. Avery, on behalf of the
9 urban artists, we just want what's right and that's it.

10 MR. QUINTEE: Thank you. My name is Anthony
11 Quintee (phonetic). I would like to thank everybody who put
12 this together. This is a beautiful opportunity for the
13 community to come out and vent, and that's a beautiful
14 gesture.

15 However, it's a tragedy that 100 percent of the
16 community is not being represented here tonight, and not
17 because of ignorance, not because of complacency, because of
18 lack of knowledge, lack of knowing about this.

19 I personally called three North Carolina radio
20 stations yesterday evening. Two of them told me they knew
21 nothing about this meeting; they knew nothing of the FCC
22 being in town this week. One of them informed me that, you
23 know what, they are in town, and they got a meeting at 7:15
24 at the Charlotte Convention Center. Not here.

25 So yeah, there are lies; there's lies all over the

1 place. I'm a starving artist; emphasis on starving. And
2 just like every other artist in here, I think I'm the
3 hottest thing that hit Charlotte since the Carolina
4 Panthers. But you know what? That's not for me to decide.
5 That's for the audience and the community to decide.

6 And they cannot decide if I do not have access of
7 a medium to go to somewhere where my music can be heard,
8 where I can be heard, you know. And for us being local
9 artists here in Charlotte, North Carolina, I mean, that's
10 the only avenue we have. Without radio, it's hard; it's
11 hard. You have to come out of the pocket a little bit.

12 And, you know, I'm sorry, you know, contrary to
13 popular belief, in 2003 in North Carolina, and I'm sorry to
14 burst your bubble, payola does exist. And it's very bad,
15 it's buried all over America, you know. That's really all I
16 have to say. Thank you for coming.

17 MS. BLAGEN: Mr. Chairman and Commissioners, my
18 name is Krista Blagen (phonetic); I'm with the Arts and
19 Science Council and thank you for this opportunity to speak.
20 Advancing arts and science and history is the driving force
21 of the Arts and Science Council, and the primary area of
22 implementing our work is through our annual fund drive, and
23 we are currently the number one united artist fund drive in
24 the country, raising over 10.1 million to support cultural
25 education, 28 cultural affiliates, creative individuals and

1 neighborhood local programming.

2 The Charlotte media have been very receptive to
3 the critical role that culture plays in the role of the
4 Charlotte-Mecklenburg community and enables the Arts and
5 Science Council to get the word out. We rely on those
6 relationships to help inform listeners and viewers about our
7 efforts to enhance the cultural community and the quality of
8 life.

9 Examples of support from TV and radio are covering
10 ASC events and projects on News 14, WSOC-TV, WBTV, WCCB,
11 WFAE, WPEG, WBAV and WDAV and a host of others.

12 We also receive in kind contributions and airtime
13 from various radio stations and TV stations for PSAs. And
14 also another critical thing is that media executives and
15 staff people, also may serve and understand the importance
16 of the cultural community by serving on the ASC board of
17 directors and also on our great panels.

18 We just want to thank the Charlotte media for
19 supporting the Arts and Science Council and understanding
20 the importance that art, science and history plays in the
21 role of enhancing our cultural community. Thank you.

22 CHAIRMAN POWELL: I just urge the speakers to be
23 very brief. We have a whole other panel waiting patiently
24 and I want to get these others done.

25 MS. ECHERVERRI: Good evening. Thank you for

1 giving me the opportunity. My name is Olma Echerverri and I
2 am co-chair of the Hispanic Board Coalition. And I can
3 assure you that the chair and I prepared our statements
4 separately, so if I am repetitive.

5 I'm here to commend the efforts of WPG, Power 98,
6 in regards to voter registration and civic involvement, as
7 well as in helping to bring together the African-American
8 and Latino communities.

9 But there is room for improvement; there always
10 is. When the station was asked to give a public service
11 announcement about the immigrant worker freedom right, a
12 nationally recognized event, this request was denied because
13 it was so-called too political. Well, in the world around
14 us and in this community that is precisely what we need to
15 report, political and controversial issues. Nevertheless,
16 we continue to look forward to building bridges with WPG for
17 many years to come.

18 I also want to commend the local Hispanic radio
19 station, WNOW-1030 AM. They provide a daily life line
20 between the limited English speaking population in the
21 community. We would like for them to remain independent
22 because we do not trust them any other way. Thank you.

23 MR. HUSS: Hi there. My name is Joe Huss, and I'm
24 just a concerned citizen. And I'm here to explain that TV,
25 what's going on with TV. I was never a big TV watcher and I

1 didn't own a TV for many, many years. But I decided I was
2 being left out of the political process, watching debates on
3 TV, and also I like to find out the news on TV locally.

4 So I have a very valid interest in local news and
5 local control. But also I've noticed the commercials. The
6 commercials seem to be getting more and more of the program.

7 Now, that's fine to a point you change channels, but
8 children watch this stuff.

9 And, you know, there are studies that have been
10 done and noticed that these children, their attention span
11 goes to only how long the program is. We're kind of pre-
12 programming our children to have short attention spans. And
13 you can think of the consequences that's going to be further
14 down the road.

15 Another point I want to bring is that my
16 girlfriend has two young children and she has to be
17 concerned and I have to be concerned on where they go to
18 people's houses, neighbor's houses, because of what's on TV.
19 The sexual content, the language, I wouldn't want an eight-
20 year-old using a lot of the language they use on TV today.
21 And yet, it's right there, so we can't keep them from going
22 into their houses unless we know, you know, what kind of TV
23 they're watching. And I think that's a very important
24 consideration because we're not protecting our children.
25 Thank you.

1 MR. CLEMENT: My name is Howard Clement. I'm
2 presently a member of the Durham City Council, having served
3 as mayor pro tem of the Durham, North Carolina City Council.

4 I'm in my 21st year as a member of the Durham City Council.

5 Since 1971 it's been my privilege to serve as a
6 member of the minority affairs advisory committee for WTVD,
7 the ABC affiliate in Durham, North Carolina. And since 1971
8 I want to commend WTVD for its efforts in bringing minority
9 interests to the forum using the television as a venue for
10 that possibility.

11 There's no doubt in my mind that television, and
12 especially WTVD, has had a great impact in our community
13 over the years because of its inclusion of minorities and
14 other interest groups into its television format.

15 During this period I also want to commend WTVD for
16 advocating the concerns and interest of the North Carolina
17 Food Bank. Over 400,000 people, and I used to serve on the
18 board of the Food Bank, of the North Carolina Food Bank,
19 over 400,000 people at risk for hunger and poverty are
20 served by the good work of WTVD and other media outlets.

21 Thank God for television; thank God for WTVD for
22 serving the public interest. As long as these mass media
23 outlets continue to serve the public interest and at the
24 local level, I think the interest of the free market and air
25 transmission of ideas will be served.

1 And I want to thank the FCC for coming to this
2 part of North Carolina. I wish it could come to the mecca
3 of North Carolina to have this hearing. But the fact
4 remains you're here and we are grateful for this
5 opportunity.

6 CHAIRMAN POWELL: Thank you very much and thank
7 you for the patience to get through everyone who wanted to
8 speak. We did chew heavily into the time. I would propose
9 that we take just a two minute break; some of us must take a
10 two minute break, and we'll start again sharp.

11 I propose that we start no later than 8:30 and
12 give the panelists who have waited patiently an opportunity
13 to finish, and hopefully we'll be done by 8:50, 8:55 and
14 that will give us plenty of time. Thank you very much and
15 we'll take a quick break.

16 (Short recess.)

17 CHAIRMAN POWELL: If we could get started, please.
18 We'd like to start our second panel, and because we did eat
19 through a lot of time, there are people who need to catch
20 flights this evening. So we want to get through it, and
21 just to announce to the audience, there will be some FCC
22 staff, and I think my colleague, Commissioner Copps, is
23 going to stay, will be staying the night and will answer
24 further questions, so you will have another opportunity to
25 speak.

1 So with that I have the pleasure of starting the
2 second panel with Ms. Terri Avery and I just ask you begin,
3 please.

4 MS. AVERY: Good evening. I'm Terri Avery, I've
5 been in the radio business for the last 25 years working in
6 several of the nation's major markets and now in Charlotte
7 with three stations here owned by Infinity Broadcasting, a
8 division of Viacom.

9 As operations manager and program director, I'm
10 responsible for everything you hear on WPEG, WBAV and WGIV.
11 I have the final say over the programming, the music, the
12 on-air talent, the station imaging, and the commercial
13 production. But I take input from the music director, the
14 marketing director, the production director, the news and
15 public affairs directors and the on-air personalities at
16 each station. It truly takes a team effort to make our
17 stations sound great.

18 Our ratings just came in and the people of
19 Charlotte voted WPEG number one and WBAV number four in the
20 Charlotte-Mecklenburg area. And I have to tell you, if it
21 hadn't been for our communities, our African-American
22 communities, this would not happened.

23 I don't have a big budget to spend on promotions,
24 so everything we do is because we super-serve our
25 communities. And let there be no mistake, our number one

1 goal is to serve Charlotte. Here are some specifics on how
2 we serve Charlotte and the surrounding communities.

3 WBAV is an urban music radio station and provides
4 live local, state and national news coverage each and every
5 weekday beginning at 5 A. M. on The Front Page with Beatrice
6 Thompson. Our hour-long program provides up-to-the-minute
7 coverage and news and information. And throughout the day
8 WBAV provides news updates. We also interrupt regular
9 programming for breaking news.

10 On Sundays we have Beatrice Thompson's Straight
11 Talk, a one-hour public affairs program featuring live
12 interviews and call-in opportunities for listeners on topics
13 ranging from healthcare to education.

14 WPEG is our mainstream urban-formatted music
15 station. Its programming addresses the needs of Charlotte
16 by dealing with topics such as racial issues, health and the
17 upcoming November elections and more. These issues are
18 tackled on Community Focus Live, a one-hour show hosted by
19 WPEG news director, Sheila Stewart, and airing on Sundays.

20 WPEG will interrupt regular programming to air
21 breaking news and emergency information as it did earlier
22 this year when the entire State of North Carolina suffered
23 through a horrible ice storm and thousands were without
24 power. We aired updates around the clock to let listeners
25 know where they could go for shelter and safety.

1 Localism doesn't just mean that we air news and
2 public affairs. WPEG has a specialty one-hour program
3 called Future Flavas which showcases local talent and new
4 artists in the industry. Local artists featured on that
5 program have included Low Key, and Infinique, who
6 incidentally has signed a record deal with Rico Wade of the
7 Dungeon family in Atlanta.

8 Our on-air personalities are part of the community
9 also. Our own Breakfast Brothas Morning Show do a series of
10 block parties in low-income neighborhoods. Janine Davis,
11 who is part of the Breakfast Brothas Morning Show, and yes,
12 there is a lady in the Breakfast Brothas Morning Show, she's
13 active in Girl Talk Foundation, a nonprofit group that
14 reaches out to girls in schools and the seminars talk about
15 abstinence and building self-esteem and image.

16 All in all, in conclusion our stations would not
17 be where they are without our African-American Communities.
18 We do countless events in our communities on a daily basis.
19 Thank you.

20 CHAIRMAN POWELL: Thank you very much. Next is
21 Mr. Jim Goodmon, president and CEO of Capitol Broadcasting.
22 Mr. Goodmon.

23 MR. GOODMON: Thank you. I want to -- don't start
24 the clock. A personal privilege here for thirty seconds. I
25 don't like rude. And I think the person who spoke, while he

1 certainly did have his own opinion, was rude to Tift, and I
2 don't like that.

3 I don't know -- I can't find, maybe somebody else
4 can, anywhere in the Communications Act that it says that
5 we're -- that the goal for capitalism or free market is to
6 make all the money we can. I can't find it. The only thing
7 I can find is localism, competition and diversity.

8 And for somebody to say that his goal is to try to
9 keep the Viacom stations on the air, that's the funniest
10 thing I've ever heard. Those guys are doing fifty percent
11 profit margins and are doing just fine; they're the biggest
12 company. So I just had to respond to that and start the
13 clock.

14 (Applause.)

15 The questions -- your guys, Mr. Chairman, put
16 together some questions that we should think about for the
17 hearing, and I think they did a great job. They really did
18 a good job and I want to speak to one of those questions,
19 number six.

20 What if anything should the Commission do to
21 promote localism? Are existing market incentives sufficient
22 to ensure that broadcasters adequately meet the needs and
23 interests of their communities?

24 Well, in responding to that question I want to
25 talk about the two rulemakings that you all have before you.

1 One is the quarterly reporting rulemaking and the other is
2 the minimum public interest standard.

3 And what we did with the Gore Commission, quickly
4 is everybody agreed -- everybody in this room agrees,
5 everybody that knows agrees, every broadcaster agrees that
6 broadcasters should serve the public interest.

7 The Commission, the Gore Commission in looking at
8 that, we all agreed that there should be standards, that
9 there should be minimum standards. I mean, how can you
10 operate without standards? Now, we couldn't agree on what
11 the standards should be, but we agreed that there should be
12 minimum public interest standards and we proposed some very
13 broad ones.

14 And I hope you all looked at that rulemaking
15 because I think just the adoption of some standards will get
16 us all thinking about it, and will really improve localism.

17 The second thing is the truth is that we all need
18 to sit down and talk about this, because we all know --
19 everybody that -- I'm not suggesting that broadcasters serve
20 the public interest or don't serve it. I'm just saying that
21 there's no reporting systems that anybody knows. In
22 particular, the public doesn't know.

23 So that's why the Gore Commission proposed a new
24 quarterly reporting form that would give some more
25 information to the public about how the station is doing. I

1 am -- you've never heard me say that and you won't, that I
2 think our stations are better than anybody's. I'm not
3 saying good, bad or indifferent. I'm saying the truth is we
4 don't know.

5 There's no system by which any data is collected
6 to set any sort of standards in terms of serving the public
7 interest. And I hope -- I've read these -- I've learned
8 some -- I've got some ideas for our stations today from this
9 hearing. I hope these hearings don't hold up those
10 rulemakings.

11 We've got to get the minimum public interest
12 standards done, we've got to get rulemaking done. And, Mr.
13 Chairman, I can't ask -- I could, but I can't ask you for
14 must carry if I'm not committed to serving the public
15 interest. That's why I get it and you won't tell me what it
16 is.

17 Now, that's an oversimplification, but do you see
18 what I mean? The whole idea is we're supposed to serve the
19 public interest. Tell us what the minimum standards are,
20 you got a rulemaking, tell us what reporting is, you got a
21 rulemaking, and we can really roll and really get into a
22 discussion about what all this is.

23 When you were on the Commission I did this, so
24 this Gore Commission was five years ago. But I think this
25 makes sense. Minimum standards -- you know, show me an

1 industry without standards, and I'll show you an industry
2 without standards. I mean, I'm not saying that the
3 broadcasting industry is bad. I think there are great
4 broadcasters and I think they're doing a good job.

5 But we can't have this discussion in terms of
6 talking about how good we're doing if there's not some
7 reference point. I just really hope that we can get to
8 those two rulemakings soon. Thank you very much.

9 CHAIRMAN POWELL: Next we have Ms. Mary Klenz, Co-
10 president of the League of Women Voters of North Carolina.
11 Welcome.

12 MS. KLENZ: Welcome to Charlotte, Commissioners,
13 and Chairman Powell. I'm also the past president of the
14 Charlotte-Mecklenburg League of Women Voters, and I would
15 like to speak tonight to you about some of the concerns that
16 my organization have.

17 The League of Women Voters is very concerned with
18 the high cost of election campaigns, which is directly
19 related to the cost of TV advertising, and also concerned
20 with the decline in public affairs coverage and how these
21 factors relate to civic participation, like running for
22 office and voter turn out.

23 One billion dollars was spent on political TV
24 advertising in the 2002 election. That was 25 percent of
25 all the money spent in all the campaigns. Only 50 percent

1 of eligible North Carolina voters turned out in the 2000
2 election.

3 Meaningful political coverage has declined over
4 the last thirty years. Citizens get a majority of their
5 news from TV and radio, and that main source of information
6 is available only through political ads. That really does
7 our democracy a disservice. It becomes a self-perpetuating
8 spiral downward. Less information, less voting, less
9 information.

10 It is unfair that broadcasters charge such high
11 prices for political ads the closer it gets to election day.
12 The airwaves belong to the public. They use them at no
13 charge with the understanding that they will serve the
14 public good. The League of Women Voters believes that they
15 are not living up to their part of the bargain.

16 Broadcasters have an abundance of talent and
17 creativity at their disposal. The weather is interesting,
18 commercials are effective in getting a message out, and they
19 make outstanding use of graphics, color and design.

20 Why can't all that talent be directed to
21 programming that informs the public on issues, voting,
22 elections and who is running for office? Let me cite a few
23 examples of how effective TV can be when it becomes involved
24 in these issues.

25 The League used to be invited to answer viewer

1 questions on local TV stations during election time. I was
2 astonished at the number of calls we received; many times
3 over 200 calls within a two-hour period. Without exception
4 we couldn't begin to take all the calls. Regrettably that
5 practice was discontinued.

6 WTVI is our local PBS station and it is known for
7 its local programming. The League has partnered with them
8 on candidate debates for elections of city council, mayor,
9 county commission, school board and the three U.S. house
10 districts represented in our area.

11 I don't know of any other time when all local
12 candidates on the ballot in these local elections answered
13 questions before an area-wide TV audience. This is done
14 with volunteers working with WTVI and we continue to receive
15 positive feedback from both voters and candidates.

16 We are concerned that business concerns seem to
17 have overtaken -- seems to have taken precedence over the
18 public interest. You Commissioners have the job of figuring
19 out how to balance these concerns with the obligations that
20 broadcasters have to provide meaningful information to the
21 public about voting and elections. From everything lay
22 members report to us, they are not getting that now. Thank
23 you.

24 CHAIRMAN POWELL: Thank you. Mr. Rustin, the
25 Director of Government Relations, North Carolina Family

1 Policy Council.

2 MR. RUSTIN: Thank you, Chairman Powell and
3 Commissioners for holding these hearings and for providing
4 the North Carolina Family Policy Council the opportunity to
5 participate.

6 The responsiveness of radio and television
7 broadcasters to the needs and interests of local communities
8 and to the standards that define these communities are of
9 critical importance to the issue of localism.

10 While families across North Carolina and the
11 nation have an ever-increasing number of radio and
12 television programming options, this growth in choice does
13 not necessarily translate into higher levels of local
14 consumer satisfaction. In fact, we are hearing more
15 concerns from both parents and children about the offensive
16 and indecent content that pervades much of television and
17 radio programming and advertising today.

18 The growth in competition for market share appears
19 to be driving many to continually push the envelope of
20 content and decency. The current trend toward so-called
21 reality shows is a prime example. Although these shows may
22 not rise to the level of indecency, they are designed to
23 cater to the base interest of the viewer.

24 In North Carolina we are fortunate to have the
25 leadership of individuals like Jim Goodmon, whose CBS and

1 Fox affiliates preempted a number of these programs because
2 they demean marriage and family and run counter to local
3 community standards. If these stations were not locally
4 owned and operated, there is little doubt that these
5 programs would have been aired in the Raleigh-Durham area.

6 For this reason the North Carolina Family Policy
7 Council testified at an FCC field hearing on media
8 concentration in March in opposition to the proposed
9 increase in the national media ownership cap. We believe
10 that a station owner who resides in his or her own local
11 community is more likely to understand and respond to local
12 standards than someone making programming decisions from
13 hundreds or thousands of miles away.

14 Even communities fortunate enough to have some
15 responsive local broadcasters are still often overwhelmed by
16 indecent radio and television content. Consumers must have
17 a reliable system to address offensive and indecent
18 programming.

19 Because the viewing and listening public bears the
20 burden to prove the content and the context of reported
21 indecency, requiring local broadcasters to maintain and make
22 available several months of programming tapes or
23 transcripts, would aid citizens in their efforts to ensure
24 that community standards are being upheld.

25 In addition, consumers rely upon the FCC to ensure

1 that broadcasters are truly serving the public interest.
2 Strict enforcement of indecency and obscenity laws and
3 regulations are critical. We thank the FCC, for example,
4 for its recent action regarding indecent content on the Opie
5 and Anthony Show.

6 However, more swift and consistent enforcement
7 action, including higher-level fines and the initiation of
8 license revocation hearings, especially for repeat
9 offenders, would instill a higher level of public
10 confidence.

11 Localism at its core requires the involvement of
12 the local citizens. Providing a system of local programming
13 that is respectful of community standards, as well as a
14 realistic and responsive enforcement mechanism for
15 addressing indecency violations, will encourage citizens to
16 become more involved in local broadcasting and will help to
17 ensure the quality programming we all desire. Thank you.

18 CHAIRMAN POWELL: And finally Mr. Michael Ward,
19 General Manager of WNCN-TV.

20 MR. WARD: Good evening, Mr. Chairman,
21 Commissioners, Ladies and Gentlemen, Representative Price
22 and Representative Watt. My name is Michael Ward. I'm the
23 general manager of WNCN-TV, the NBC owned and operated
24 television station in Raleigh, Durham. That's right; I'm
25 one of the big guys that everybody has spoken unfortunately

1 about so badly about this evening.

2 I've spent more than a quarter century working in
3 television, starting out in my home state of South Dakota as
4 a photographer to my current position here as a key
5 decision-maker for NBC and its operation of its television
6 station in the Raleigh-Durham market.

7 Across that career I've worked many jobs at many
8 television stations and many different -- and for many
9 different kinds of owners, and I've learned one thing is
10 true about TV. Successful television stations, regardless
11 of who they're owned by, regardless of the money behind them
12 or the lack of money behind them, are successful for three
13 reasons: local involvement, local relevance and local
14 acceptance.

15 It doesn't matter where they go or whence they
16 came from. Without those three things embraced by the
17 television station, the station will die.

18 The recent ownership of our station is a good
19 example. Almost seven years ago WNCN was owned by a company
20 that provided paid programming, religious programming and
21 home shopping as it filled its air for its viewers. Since
22 NBC purchased the television station almost seven years ago
23 now, that low-cost cutting program strategy that did not
24 work has been replaced by a television station committed to
25 local relevance, local involvement and a gain of local

1 acceptance.

2 A few of the things that we've done during that
3 time, of course, is add about sixty percent more local news
4 than was available before we came. We've added a half hour
5 public relations or public affairs shows. We've set a set
6 standard of public affairs announcements, public service
7 announcements on our air.

8 We've produced a number of programs for various
9 charitable and service organizations across the state. We
10 produce an annual show for the NAACP; we produce an annual
11 live ecumenical church service from downtown Raleigh on
12 Easter morning. We produce a weekly half hour local artist-
13 oriented music show featuring club artists in Chapel Hill,
14 Durham and Raleigh.

15 We broadcast countless specials, we provide
16 realtime closed captioning of every special news event that
17 we do, and most recently preempted prime time programming
18 for two live mayoral debates for the local mayoral race of
19 interest in our market.

20 We produce healthcare, blood drives, breast cancer
21 research drives and on and on and on. But perhaps most
22 importantly we require that every one of our department
23 heads and employees participates actively on a church board,
24 a local service board, charitable institution board, because
25 it's their personal conduit to our community that counts the

1 most in the actions that we take.

2 What's happened because of this? We're doing a
3 lot better businesswise. And the reason I come to speak to
4 you tonight is to tell you that local service is good
5 business. It's practiced by most all, if not every single
6 broadcaster in the State of North Carolina associated with
7 the State's Broadcaster's Association, it's practiced by NBC
8 and its owned and operated television stations, both English
9 language and Spanish language.

10 Commissioners and Mr. Chairman, I'm proud to tell
11 you that the rules as they exist right now for the support
12 and development of localism work and we're a shining example
13 of the reason why.

14 Thank you for your time and I welcome your
15 questions.

16 CHAIRMAN POWELL: I'm going to tell you, the hour
17 has gotten late and we've cut into the questions because of
18 extending the open mike. I will present one and I think
19 we're going to wrap it up and let anyone who wants to speak
20 with Commissioner Copps of our staff, do so. I'm just going
21 to direct this to Mr. Goodmon.

22 I found it interesting I got an E-mail from a
23 member of this Charlotte community. He says he wants to
24 register a complaint, and I don't know if this is your
25 station, WBTV, Channel 3 Charlotte.

1 This station is constantly preempting regular CBS
2 programming for local broadcasts such as St. Jude's. So far
3 this year they've preempted programming three times, then
4 they put the regular programming on at 2:30 in the morning.

5 I hate this.

6 I'm missing the ACC basketball, which is like
7 religion here.

8 (Laughter.)

9 CHAIRMAN POWELL: I guess that raises a question
10 that preemption is an important part of local programming,
11 but the consumers also have a desire to see some of the
12 programming that comes from the national audience and is
13 important to them as well.

14 Can you tell us a little bit about the thought
15 process of when to preempt and when you represent the view
16 of the community and how you do that?

17 MR. GOODMON: We're not WBT.

18 CHAIRMAN POWELL: I didn't think so.

19 MR. GOODMON: I wish we were.

20 (Laughter.)

21 MR. GOODMON: No, I don't. But it's interesting;
22 in Raleigh we are a CBS affiliate and we have ACC basketball
23 and we're sort of in a duplicate situation. I haven't found
24 that -- I mean, our preemption pattern is such that the
25 community is used to it. That is, they know we're going to

1 do ACC basketball. They're used to our preempting for
2 specials every now and then and they are also used to how we
3 handle it, which is we run it later at night.

4 Obviously there's some fans of a weekly show that
5 are disappointed when we preempt it for basketball, but I
6 really believe our preemptions are so predictable as WBT's
7 that it's not a problem.

8 Digital is going to help this a lot. For example,
9 we can run a couple of things. We can do basketball and CBS
10 on digital, and moving into digital is going to help us in a
11 lot of these areas.

12 COMMISSIONER COPPS: Can I ask a quick question on
13 preemption while we're on the subject, because this goes
14 more to community values and local values and I'm interested
15 --

16 CHAIRMAN POWELL: I don't mean to cut you off,
17 Commissioner. I just want to -- I also have to catch a
18 plane regrettably, and I just wanted to let you finish your
19 question, but to take the opportunity to thank the people of
20 Charlotte.

21 I found this a useful and important and meaningful
22 hearing. I appreciate your patience, I appreciate your
23 commitment, and I really think it's been a very valuable
24 exercise.

25 On behalf of myself and the staff at the Federal

1 Communications Commission, I applaud you and thank you for
2 your efforts and enjoyed your hospitality. Thank you very
3 much.

4 COMMISSIONER COPPS: I'm interested in kind of the
5 decision-making process. I know, Mr. Ward, you run an
6 owned-and-operated station. How many programs have you
7 preempted in the period of the last year because of your
8 feeling that perhaps they were contrary to the values and
9 sensibilities of your community?

10 MR. WARD: I have not preempted based on my
11 sensibilities of the community and its values. We've
12 preempted for news specials, we've preempted for local
13 events that we felt overrode the importance of what the
14 network offered or the other programming we had available.

15 COMMISSIONER COPPS: Let me ask Mr. Goodmon that. Have
16 you felt the need to overrule what the network fare was for
17 your community?

18 MR. GOODMON: Yeah, we -- yes, sir, and it had --
19 yes; the answer is yes. I mean, we just decided rightly or
20 wrongly, just we decided that we're not going to make fun of
21 marriage. And we can't clean up television; there's all
22 kind of violent stuff all over television, and we just said
23 there's a line here and if people are going to meet each
24 other, then get married ten minutes later and fly off
25 together, and we're not going to do that.

1 And we just did that and I appreciate people
2 thanking us, but I don't -- we're not right or wrong or
3 anything. It's just a decision that we made. I think, you
4 know, we have a problem that the network will not give us
5 the material ahead of time, so we have to go on what we hear
6 about the program, we talk to the network about it, what we
7 read about it in the press. Sometimes we can get a pre-
8 feed, but on reality programs we can't. So just on the
9 marriage thing we said no deal.

10 COMMISSIONER COPPS: Let me ask you a general
11 question, and if anybody else wants to comment on it perhaps
12 they could.

13 But kind of the message I take from this meeting
14 tonight is people in this community impart great value to
15 localism, and I think they're proud and congratulatory of
16 those broadcast outlets who are nurturing and nourishing
17 localism. And I take away an equally strong feeling that
18 people are, by and large, alarmed that there are serious
19 threats to localism.

20 And as we wind this hearing up, I'm just trying to
21 get clear in my own mind, how do you start to get at
22 something like this? Some say that, you know, we shouldn't
23 be talking too much about structural rules, maybe these
24 ownership rules.

25 But what I'm hearing in this audience is a lot of

1 people are saying that structural rules and loosening the
2 ownership cap that the Commission voted may be pernicious to
3 the cause of localism. Others say that no, that's a
4 cumbersome way to go about spurring the public interest and
5 encouraging the public interest and that there are some
6 sorts of behavioral rules as a whole menu of those.

7 Is there some kind of silver bullet here or are we
8 looking at really a mix whereby we have to address -- if
9 you're going to talk intelligently about localism, we have
10 to address not just the behavioral rules, the licensing
11 renewal and all that, but also be cognizant of the lingering
12 effects of those structural decisions.

13 Let me ask Jim to start with that and anybody else
14 that wants to comment.

15 MR. GOODMON: Right. I think it's a mix. I mean,
16 we have multiple ownership and in many cases it's working
17 fine. I mean, what we're talking about is you all just
18 passed a rule that one company can own 370 television
19 stations.

20 COMMISSIONER COPPS: Don't say you all because I
21 wasn't a part of that.

22 (Laughter.)

23 MR. GOODMON: I mean, I'll tell you, we've got a
24 great group of owners. The question is what is the -- how
25 far do we go with this. And I think most people think we've

1 gone about far enough.

2 I would say that the single most important
3 determinant of how a station operates is who owns it. I
4 mean, it ought to be. Now, you can have all the rules you
5 want to about what your stations are supposed to do, but,
6 you know, the stations reflect the owner.

7 And the larger the owner gets by definition, just
8 by definition, the more the corporate welfare -- the larger
9 it gets, the more the corporate welfare drives the bottom
10 line, which means by definition there'll be less attention
11 to localism. By definition. I mean, that's just an
12 economic definition.

13 I don't think Jim -- I don't think the groups are
14 too big now. I think we've got a good -- I don't think
15 anybody's saying we should go back. I think all we're
16 talking about is how far we want to go. But I think there -
17 - the answer to your question is both; I think we should
18 have both.

19 COMMISSIONER COPPS: Does anyone else care to
20 comment?

21 MR. KEELOR: Well, I agree with Jim; I think the
22 ownership makes the difference. And again, speaking only
23 for our company and I'll give a personal opinion here that
24 some broadcasters would disagree with, but I don't think
25 there's -- every acquisition we've made in the last three

1 years has been a private owner.

2 And we have immediately taken a profit loss in
3 that acquisition because of the cost of a benefits plan,
4 because of the way you wanted to outfit the station, and the
5 way we wanted them to serve the community.

6 But we took that step back knowing when we made
7 those investments, three to five years from now we would be
8 ahead of the game and we were willing to do it. Clearly not
9 a lot of companies can do that. We're in an unusual
10 position.

11 But the statement that I would make is that I
12 think I would be willing to accept additional public defined
13 interest standards if I were allowed to own two television
14 stations in the same market. And I know Commissioner Copps
15 does not favor that position, but let me tell you folks, a
16 lot of these complaints about radio, half the radio stations
17 mentioned wouldn't be on the air today had consolidation not
18 happened, and radio business was out of the business in a
19 period, dead air. Consolidation saved it.

20 Now, some of the things you've heard we don't
21 like; I agree with that. The point is in some television
22 markets that's going to happen if we don't allow
23 consolidation. We need to allow consolidation; it needs to
24 be with the right owners who are willing to make the right
25 commitments.

1 But I have to tell you, I can wake up tomorrow
2 morning and in Columbia, South Carolina where we have had
3 the number one station for fifty years, and I'm really proud
4 of what they do, we are being penalized because under the
5 new rules, the newspaper can buy up a second television
6 station in the market tomorrow morning, the cable system can
7 buy up a third, the radio group in there can buy the fourth,
8 and because I'm the leading station, I can't buy anything.

9 Show me the balance and the fairness and the
10 equity of that. That we have now been penalized under the
11 rules for being the number one station and serving our
12 community. That cannot stand and that's why we're
13 supporting the court action against it.

14 But I would support public interest standards of a
15 defined basis in order to do -- into the middle and small
16 sized markets. That's my position, not maybe my company's
17 position. It certainly isn't probably any of these
18 positions or anybody else's.

19 But I agree with Jim; ownership makes all the
20 difference in the world. And one of the toughest things
21 that's happened is when the FCC changed the rules that
22 allowed the financial players to get into the business, and
23 in three years turn them around and cut them to pieces, then
24 sell them again to somebody else. And there's a whole wave
25 of money out there waiting to do the same damn thing because

1 they've called us.

2 So, I mean, if I were to ask the Commission do
3 anything, it's to look at the responsibility of what an
4 owner has to do, what he has to do to invest in a station,
5 and how long he has to keep it.

6 COMMISSIONER COPPS: And I think that point about
7 public interest standards and DT broadcasters are so
8 integral. And to his credit, the Chairman has done a
9 masterful job in trying to encourage the digital television
10 transition, and getting the mechanics of that straightened
11 away and commitments from the broadcasters and cable and
12 everybody.

13 But here is this gaping hole that you've talked
14 about, the central overriding question, how is the ability
15 to multicast going to be used to benefit the public
16 interest; and we have not done justice to that. I think we
17 are going to get it teed up, I hope we can get it teed up
18 because there's nothing more important we have do.

19 I am certainly willing to stay around here and
20 perhaps some of the panelists are too, but I know some of us
21 have to get home and they have commitments.

22 On behalf of Chairman Powell and Commissioner
23 Adelstein and myself, I want to thank everybody who has been
24 a part of this hearing and the panel. This has been very
25 helpful I think to the Commission and we look forward to

1 doing other hearings around the country.

2 So thank you, Charlotte, and thank you, North
3 Carolina, for helping us.

4 (WHEREUPON, the hearing was concluded at 9:04 P.
5 M.)

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STATE OF NORTH CAROLINA)
) C E R T I F I C A T E
COUNTY OF MECKLENBURG)

I, JoAnn M. Harris, Official Court Reporter, do hereby certify that the aforesaid proceeding was taken and transcribed by me, and that the foregoing one hundred-fifty (150) pages constitute a verbatim transcription of the testimony of the foregoing proceeding. I do further certify that the persons were present as stated.

I do further certify that I am not of counsel for or in the employment of any of the parties to this action, nor do I have any interest in the result thereof.

IN WITNESS WHEREOF, I have hereunto subscribed my name, this 7th day of November, 2003.

JoAnn M. Harris
Official Court Reporter

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